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UN Mission Submits Test Ban Note
LD311646 Moscow TASS in English 1630 GMT 31 Aug 87

[Text] New York August 31 TASS — The Permanent Mission of the U.S.S.R. at the United Nations addressed a verbal note to the United Nations secretary-general setting for the Soviet proposals for achieving a general and complete prohibition of nuclear tests.

In compliance with United Nations recommendations the Soviet Union proposes that talks be opened without delay on the prohibition of nuclear tests — the talks could be conducted by any states at any forum, naturally involving the United States, said the note circulated today as an official document of the United Nations General Assembly.

In the opinion of the Soviet Union, the work on accords at the Soviet-American talks and the drafting of a comprehensive treaty within the framework of the Conference on Disarmament should proceed in parallel.

FRG TV Interviews Karpov on Kohl
DW312100 Mainz ZDF Television Network in German 1945 GMT 31 Aug 87

[Exclusive interview with Soviet disarmament expert Viktor Karpov by correspondent Joachim Holtz in Moscow; on the "Heute-Journal" program; in Russian and English with superimposed German translation; no date given — recorded]

[Text] [Karpov] After Federal Chancellor Kohl's statement the U.S. delegation continues to defend its old position at the Geneva negotiations. Nothing has changed. Helmut Kohl's statement does not answer the main question: What will happen with the 72 U.S. warheads? If Chancellor Kohl had intended to pay a positive contribution — in for a penny, in for a pound — he would have certainly developed the idea further. Kohl should have said: I have no objection that all warheads for tactical-operational missiles of the United States and the Soviet Union will be removed after the signing of an agreement between Moscow and Washington.

[Holtz] How fast, in your opinion, can an agreement on intermediate-range missiles be reached? What obstacles are still existing?

[Karpov] Apart from the problem of the warheads for the operational-tactical missiles some problems of the verification of the agreement are still to be solved. They are essential problems, including, in particular, the extent of verification in third countries —that is, outside U.S. and Soviet territory. In addition, the problem of verification regarding the discontinuance of missile production has to be solved. In this respect, we are ready to go as far as is necessary to gain a true insight, a real certainty. However, the United States is not yet ready.

[Holtz] How long will the diplomats in Geneva need for a draft agreement?

[Karpov] If the obstacles I mentioned before are removed, it could be done quite fast, let us say within 1 or 2 months.

Karpov on Arms Talks Impasse
LD311552 Moscow TASS in English 1528 GMT 31 Aug 87

[All quotation marks as received]

[Text] Moscow August 31 TASS — By a TASS diplomatic correspondent:

The time that has passed since Federal Chancellor Helmut Kohl issued a statement on West German Pershing-1A missiles armed with American warheads shows that his pronouncement changed virtually nothing as far as the problem is concerned, Viktor Karpov said today.

In an interview with a TASS diplomatic correspondent the head of the Soviet Foreign Ministry department on issues of arms limitation and disarmament said that the talks in Geneva had not moved closer to an agreement on the global elimination of medium- and shorter-range missiles.

"The essence of the problem is: Will the American warheads to the shorter-range missiles be covered by the Soviet-American agreement on eliminating the two types of arms — medium- and shorter-range missiles — on a global basis?

The chancellor's statement does not help resolve that problem," Karpov observed.

"As already stated in the past, the Soviet side does not insist that the Federal Republic of Germany scrap its Pershing-1A missiles now. But the FRG could make a practical contribution to resolving the issue of eliminating Soviet and American shorter-range missiles if that country's leadership came up with an unequivocal statement that it is neither going to preserve its Pershing-1A missiles nor objects to the clear indication in the Soviet-American treaty on medium- and shorter-range missiles of the U.S. readiness to eliminate all warheads to the shorter-range missiles.

Regrettably, the West German chancellor's statement admits only part of the problem — the U.S. exclusive right to dispose of its warheads to the Pershing-1A missiles.

The admission is in the right direction. What is required more is to make another step. Then the chancellor's statement, especially those provisions which pile up a whole number of artificial obstacles leading away from the essence of the problem, will be impossible to use for stalling the talks.

This will pave the way for the earliest conclusion of a Soviet-American agreement on 'double global zero'."

UN Disarmament-Development Activity

Gorbachev Speech Circulated

LD281521 Moscow TASS in English 1453 GMT 28 Aug 87

[Text] New York August 28 TASS — The address by Mikhail Gorbachev, general secretary of the CPSU Central Committee, to the participants in the International Conference on the Relationship Between Disarmament and Development was circulated today at the United Nations as an official document of the conference.

More on Petrovskiy Speech

PM301407 Moscow IZVESTIYA in Russian 27 Aug 87 Morning Edition p 4

[TASS report: "Choice in Favor of Disarmament and Development"]

[Text] New York, 25 Aug — The current International Conference on the Relationship Between Disarmament and Development has been addressed by Soviet delegation head USSR Deputy Foreign Minister V.F. Petrovskiy. He read a message from M.S. Gorbachev, general secretary of the CPSU Central Committee, to the conference participants.

The interrelationship between disarmament and development reflected in the conference mandate, V.F. Petrovskiy said, did not arise just today or yesterday. It was painfully engendered by the course of history, which has clearly shown that military preparations, not to mention wars themselves, are the antithesis of creation, causing the development of countries and peoples great setbacks. In today's interdependent world, where mankind's survival is the principal task, the question of the interrelationship between disarmament and development has reached a critical point beyond which any further arms buildup threatens not only to still further retard our progress in every sphere of human endeavor but also to cancel out all our achievements to date and civilization's future. Historical experience and the realities of the nuclear space age persistently and unambiguously dictate a choice in favor of disarmament, development, and a nonnuclear, violence-free world.

The Soviet Union has already made this choice, guided by the firm belief that the order of things imposed by militarism — armament instead of development — must be succeeded by a new principle — disarmament for development. Our country takes a broad, responsible, constructive approach to the realization of this fundamental principle, innovatively introducing it to the practice of international relations.

Indicating the urgent need to really begin to rechannel resources from the arms sphere into development, the speaker stressed that the Soviet Union has very clearly confirmed its willingness to transfer to developing countries a proportion of the resources it will really save as a result of various measures to curtail the arms race. It must be a question of resources released as a result of nuclear and other arms limitation and reduction measures; this is the essence of the concept of the interrelationship between disarmament and development. When discussing specific disarmament measures, the participants in the talks must consider the saving of means and resources their countries expect to make and think of ways to use these saved resources.

The resources to be allocated as a result of disarmament must supplement already existing forms of economic and technical assistance for developing countries and not lead to any reduction in this aid. These resources must not be used to create arms or for other military purposes by the recipient countries. They may be given not only in the form of financial aid but also in physical terms, in the form of material resources, services, the provision of specialists, and so forth. Aid may be given on a multilateral or a bilateral basis. The terms of granting aid must be established without discrimination, with a view to the recipient countries' most urgent needs in their implementation of specific projects and programs.

The role of the mechanism whereby resources are transferred to developing countries could be fulfilled by an international "Disarmament for Development" fund open to all states. A proportion of the resources saved by states as a result of disarmament measures and a reduction in military expenditure would be transferred to this fund. It could be set up within the UN framework on the basis of an international agreement. It would incorporate resources in physical form, calculated on the basis of world market prices, and also in the form of financial contributions, which may be in national currency. Each country concerned would itself determine the most convenient form of payment.

Resources from the fund could be transferred at its decision to developing countries directly or through UN organizations to be used at the discretion of UNICEF, the UN Environment Program (UNEP), the UN Development Program (UNDP), and other specialized UN institutions and bodies for the purpose of implementing various development programs at national, regional, and subregional level.

Dwelling on the problem of reducing military budgets, the head of the Soviet delegation noted that it requires a broad, comprehensive approach and cannot be divided into sections: political, economic, and technical. It is also a problem of mutual trust.

We favor increasing glasnost and openness with regard to military activity, military doctrines, and military expenditure, including on the question of comparing different countries' military budgets. We believe that this question should be approached from the standpoint of an interest in the earliest possible release of resources currently used in nonproductive military expenditure. This work has already begun in the Soviet Union and will, of course, continue.

Attempts to date to compare military budgets have failed to produce any positive results because of fundamental

differences in the structure of arms prices and also in the price formation mechanism. Our published defense budget (R20.2 billion), for example, reflects outlays by the USSR Defense Ministry on the upkeep of Armed Forces personnel, material and technical supplies, military building, pension facilities, and a number of other expenditures. But the financing of research and experimental design work and the purchase of arms and military equipment come under other articles of the USSR State Budget.

With the completion of our planned radical reform of the price formation system, the realistic comparison of general military expenditure will become possible.

The socialist countries have already proposed to put an end to the growth spiral of military budgets and limit them to a level of reasonable sufficiency. In an attempt to initiate practical steps in this direction, the Soviet Union and its Warsaw Pact allies proposed to NATO members in April this year to announce a mutual moratorium on any increase in the two alliances' military expenditure for the next 1 or 2 years. This proposal of ours still holds good and we await a constructive response from NATO.

The Soviet Union believes that it would now be possible to begin the development of a new world economic model in the conditions of disarmament, including the planning of a loan conversion in developed countries in the context of world economic development requirements.

The conversion process would not, of course, be without its difficulties. These difficulties would arise in various degrees and in different forms in developed capitalist countries and in socialist and developing countries. But the difficulties linked with disarmament measures, the elimination of weapons, and conversion bear no comparison to the enormous dangers concealed in the arms race.

The role of a conversion would not be limited to economic aspects alone. States' preparation of national plans for conversion, for example, would be evidence of their political determination to begin reducing military production. Conversion would therefore serve as a mechanism to totally eliminate the negative socioeconomic consequences of the arms race and as a way to ensure a real link between disarmament and development, as well as being an important factor of predictability and disarmament's irreversibility.

Military and political confrontation accompanied by an unrestrained arms race, the speaker went on to emphasize, must be countered by peaceful alternatives: a blend of trust, cooperation, and disarmament. There are no spheres in which science and technology are used today that could not have real peaceful alternatives to military programs. There is only one reliable way to develop the latest technology, guarantee profit and employment, and involve all countries in scientific and technical achievements: Narrow the military sphere and expand the civilian sphere. The financial, material, and intellectual resources and technical potential thereby released must be channeled into broad cooperation in building peaceful alternatives and assisting developing countries in their assimilation of progressive achievements.

International mechanisms, primarily the United Nations, are expected to play a central role in realizing the principle "disarmament for development." By promoting the formation of a comprehensive international security system, the United Nations could act as a guarantor of peace founded on cooperation, prosperity, and the rejection of arms. The Security Council could also contribute to the task of disarmament and development. Proceeding from the large scale of disarmament and development tasks and the need for their urgent solution, the Soviet Union proposes — as stated in M.S. Gorbachev's address to the conference participants — holding a special meeting of the top leaders of the Security Council member states and discussing the problems of disarmament and development at this meeting in a principled way.

The present conference is intended to serve as an important landmark in UN activity on the difficult but highly humanitarian path of disarmament and development and bring the interrelationship between these processes into play. We hope that the valuable work we expect to be done here by this international community will be a crucial feature in the approach to the problems of disarmament and development by initiating a chain reaction of subsequent practical measures. The road gets easier as you go along, as they say.

The USSR supports the idea of setting up a special committee on disarmament and development to continue the discussion of the whole complex of related issues on a permanent basis, including the questions of coordinating the principles for transferring resources from disarmament to aid for developing countries, drawing up recommendations on the corresponding mechanism, and conducting research. For our part, we propose holding a conference after a certain period of time, in 3-5 years time, say, to survey the state of affairs regarding the interrelationship between disarmament and development and making it regular practice in future to hold this kind of conference.

We proceed from the premise that creating the organizational framework for advancing the ideas of this forum will make it possible to incorporate these ideas and the principle "disarmament for development" in the fabric of international relations, primarily in the military-political sphere, and make them a reference point for practical action.

Guided by the new political thinking, we believe that the interrelationship between disarmament and development would be most fully revealed in the process of creating a nonnuclear, violence-free and, in the long term, demilitarized world. The program forwarded in M.S. Gorbachev's 15 January 1986 statement to free

mankind of nuclear and other mass destruction weapons by 2000 regards the allocation of resources for social and economic development purposes as a most important concomitant measure of arms limitation and disarmament agreements. If the proposals set out in this statement were to be accepted, calculations by various countries' research centers show that billions of dollars could be freed from the military sphere.

The idea of a nonnuclear, violence-free world is not a utopia or a rosy dream. Once given real features, it stands out increasingly clearly as the only reasonable alternative to so-called "nuclear deterrence." It is becoming more and more obvious that the policy and ideology of this "deterrence" are detering disarmament and development.

In the nuclear space age the security of each and everyone cannot be guaranteed by an arms build up but by the creation of a comprehensive system of reliable, lasting peace. The rejection of attempts to solve international problems by military means, the restructuring of the relationship between the military and nonmilitary spheres of activity, the establishment of unconditional priority for peaceful values, aid for those who need it.... All these aspects of implementing the "disarmament for development" principle are part and parcel of the process of forming a comprehensive international security system and the future policy of trust, collaboration, and cooperation.

In conclusion, V.F. Petrovskiy said the Soviet Union has come to the conference with the firm intention of doing everything it can to ensure that its results are as positive and specific as possible.

Petrovskiy Meets Press

PM291454 Moscow IZVESTIYA in Russian 29 Aug 87 Morning Edition p 4

[TASS report: "Disarmament — for Development!"]

[Text] New York, 28 Aug — The Soviet delegation at the International Conference on the Relationship Between Disarmament and Development that is taking place here has held a press conference in connection with the appeal to the conference participants by M.S. Gorbachev, general secretary of the CPSU Central Committee.

This appeal expresses in concentrated form our principled approach to the problems being discussed at the conference, V.F. Petrovskiy, USSR deputy foreign minister and head of the Soviet delegation, said. The new foreign policy thinking by which we are guided in international affairs is based on the view that the principle imposed by militarism — arms, not development — should be replaced by the opposite order of things: disarmament for development.

The Soviet Union has submitted for examination by the conference a whole series of proposals relating to all three areas of its work, the head of the Soviet delegation noted. There is the proposal within the UN framework that an international "Disarmament for Development" fund be set up, open to all states. There are our new ideas on military budgets, which are the result of the glasnost policy, which applies to the military sphere too. There is the reassertion of the proposal made earlier by the Warsaw Pact states to the NATO countries, on imposing a mutual moratorium on increasing military spending. There is the appeal to states to set about preparing national conversion plans. There is the proposal to the United States to make joint efforts to limit sales and deliveries of conventional arms. There are, lastly, our ideas on releasing science and technology from the armor of secrecy.

To bring into play the process of movement from disarmament to development, M.S. Gorbachev advocated that the UN Security Council itself tackle this question. The holding of such a session of the Security Council would promote the internationalization of the processes of both disarmament and development and the active involvement in these processes not only of the main UN organ for maintaining international peace and security, but of all its other mechanisms too. Therefore it is regrettable that the United States, a permament member of the Security Council, has rejected this idea, out of hand, so to speak, without taking the trouble even to study it, the head of the USSR delegation said.

While forwarding a program of concrete actions together with the socialist countries, the Soviet Union at the same time takes a positive view of other constructive proposals, from wherever they may come, V.F. Petrovskiy said. The ideas forwarded by representatives of the developing countries are valued and understood by us. We supported Italy's proposal on creating a worldwide open laboratory of scientists and opened a department in Moscow. We are impressed by the idea forwarded at the conference by France, on creating special subunits of servicemen to give humanitarian aid to developing countries at their request. We have our own ideas on this score, and we are ready to exchange opinions.

We consider it necessary for the conference to end by adopting a weighty, meaningful document oriented toward practical action.

We realize, of course, as the first days of the conference have shown, that there are differences of approach to the relationship beween disarmament and development, but that is not the most important thing. Something else is characteristic — all the conference participants are at one in understanding the need to take practical action to implement the strategy of disarmament and development the United Nation calls for. This inspires confidence and hope that the work begun by the conference will produce results and the process of movement from disarmament to development will become a reality of our day, the head of the Soviet delegation stated.

Socialists Submit Document

LD262156 Moscow TASS in English 2136 GMT 26 Aug 87

[Text] New York August 27 TASS -- Delegations of socialist countries submitted Wednesday for the consideration of the International Conference on the Relationship Between Disarmament and Development a memorandum entitled "Disarmament for Development". The "armament instead of development" principle imposed by militarism should be replaced by the reverse order of things, disarmament for developemnt, the memorandum said.

At the present-day crucial stage of historic development urgent efforts are needed for a resolute curtailment of the arms race and the release of resources for the purposes of economic and social progress of all the nations. Socialist countries emphasized their readiness to cooperate with all the countries of the world in this sphere of priority importance in the spirit of goodwill and awareness of a common responsibility of the world community for the preservation and flourishing of human civilization.

GDR Supports Initiative

LD262003 Moscow TASS in English 1824 GMT 26 Aug 87

[Text] New York August 26 TASS — The tone of discussions at an international conference on the relationship between disarmament and development, which is continuing in the United Nations Headquarters, has been set by proposals contained in an address made by Mikhail Gorbachev, general secretary of the CPSU Central Committee, to the forum.

Speaking at its morning sitting, Harry Ott, a deputy foreign minister of the German Democratic Republic and its permanent representative to the U.N., said his country supported the Soviet initiative for a special meeting of the U.N. Security Council at summit political level to discuss the entire range of issues of disarmament and development.

Thanks to the Soviet Union's constructive and flexible position, prospects for the conclusion of a Soviet-American agreement for scrapping medium-range and shoter-range missiles had improved. The historic chance of taking a real step towards disarmament must not be put at risk by making all manner of far-fetched objections, Ott stressed.

He read out a message of greeting from Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council, stressing that comprehensive international security was inconceivable without disarmament and development.

XINHUA Raps U.S. on UNCTAD

LD261929 Moscow TASS in English 1910 GMT 26 Aug 87

[Text] Beijing August 26 TASS — The United States' boycott of the international conference on the relationship between disarmament and development at the UN Headquarters in New York caused profound indignation in the UN circles, the *Xinhua News Agency* said in its commentary.

The position of the United States, which had alleged that that conference failed to reveal the relationship between disarmament and development, deserved sharp criticism. That "pretext," used by the USA to refuse to take part in the work of the conference, was completely unfounded.

The real cause of the U.S. decision was disagreement of the Reagan administration with the demand of non-aligned countries that militarily strongest powers cut their arms as a matter of priority and divert part of the funds thus released to the needs of developing countries. Besides, the American side was obviously concerned over the negative effect the decisions of the conference might have on the Reagan "Star Wars" programme.

Such position of the Reagan administration, *Xinhua* stresses, made people all over the world aware of the Reagan administration's plans to press ahead with the arms race and its fear of criticism on the part of the international community.

Gerasimov on Canadian Drug Seizure

LD251525 Moscow TASS in English 1316 GMT 25 Aug 87

[Text] Moscow August 25 TASS — "A half-truth that is worse than a lie", this is how a Soviet Foreign Ministry spokesman described reports by the Western media about the seizure in Montreal of a consignment of drugs on board the Soviet ship *"Bukhtarma"*. They used such expressions as "Afghani hashish" and "hashish from the Soviet ship". But the truth is that the USSR and Canada conducted a successful operation in the fight against drugs, a briefing was told by Gennadiy Gerasimov today.

The Soviet Foreign Ministry spokesman recalled that the hashish was concealed in sacks supposedly with camel wool from Afghanistan. But the fact that it was packed in sacks with Pakistani markings shows that the drugs were manufactured on the territory of Pakistan. When the Soviet costoms authorities discovered this consignment of drugs they informed the Canadian side through the Canadian Embassy in Moscow. Representatives of the Canadian police arrived in Moscow and studied all the materials. An operation to seize the receivers of the drugs in Canada was planned and carried out. On the request of the Canadian Government the freight was allowed to continue on its way and brought to Montreal on board the *"Bukhtarma"* where it was handed over under the control of the Canadian authorities. As a result seven arrested Canadians face charges of illegally importing and possessing drugs.

Similarly, the Soviet Foreign Ministry spokesman went on, in April of this year we informed Holland that a consignment of narcotics weighing 1200 kilos was being shipped from Riga to Holland disguised as a shipment of raisins. Such are the examples of international cooperation in the fight against drugs and also examples of how irresponsible journalists can distort the real situation, he said in conclusion.

United States & Canada

'Doubts' About Shultz-Shevardnadze

PM311309 Moscow MOSKOVSKIYE NOVOSTI in Russian No 35, 30 Aug 87 (signed to press 25 Aug 87) p 3

[Spartak Beglov article under the rubric "The World on My Personal Computer": "What Could Prevent the Ministers' Meeting?"]

[Text] The attention of the world press is focused on statements by spokesmen from the Soviet foreign policy department, raising doubts about the possibility of the meeting between USSR Foreign Minister E.A. Shevardnadze and U.S. Secretary of State G. Shultz, which is scheduled for September, taking place. The reason: The U.S. delegates at the Geneva talks are making no efforts at all to overcome the remaining important obstacles on the way to agreement on the "double zero." In other words, U.S. diplomacy seems to have called for "time out" at the most crucial moment.

But not being a diplomat, one is probably allowed to bluntly call certain things by their proper names. More than anything else, the "vacation mood" seems to have gripped the U.S. representatives at the talks against their own will. I suspect that their leaders in Washington have themselves not made their final choice yet. What is at stake is not just the future of the 72 U.S. warheads for the West German Pershing-1A missiles. If there is a genuine desire for accord, then neither elementary logic nor the basic rules of arithmetic would allow anyone to claim that zero plus 72 equals zero. But does Washington wish an accord? This is the key question.

It seems to me that the essence of what is happening is that the U.S. Administration is again hesitating at the last moment: Should it take the final steps along its part of the way to accord? Or should it bring everything to a standstill as ultraright-wing elements on the banks of the Potomac and the Rhine demand. After all, if the agreement becomes a fact and the nuclear disarmament train gets moving, there will be no room on that train for these figures.

But, readers may ask, is the U.S. President indifferent reagrding the credit balance he will bequeath to his party next year? I don't think he is indifferent. More than that, from the personal viewpoint, he has never before had such a good opportunity — and at the same time the sole and last opportunity — to go down on record with at least one action of peace and disarmament. It would seem that sensible political instinct would be pushing him in this direction. But the ultraright-wing elements calculate that the White House chief is still, heart and soul, on their side and that he would prefer to go down in history as an example of "firmness [tverdost] in relations with the Soviet Union" rather than as a peacemaker.

Chancellor H. Kohl also has an appropriate role to play in the prevailing division of labor: To uphold the interests of that "worried section of West European and FRG public" that has no intention of being left without the U.S. nuclear trump cards. This "public" can be virtually counted on one's fingers. On the other hand, West Europeans in their millions are demanding that this historic chance to get rid of Euromissiles is not missed.

There is no particular need to talk about the fact that, as far as Soviet people are concerned, the attempts to give nuclear weapons in any form to West Germany are absolutely unacceptable. But this is not the only point. One of the stumbling blocks at the Geneva talks is the U.S. refusal to agree that both parties to the planned agreement embark simultaneously on the reduction of their missiles in equal proportions. If people in Washington believe that the Soviet side could be nudged in the direction of unilateral disarmament, such a turn of events would not — to put it mildly — be appreciated by very many Soviet people. It is, therefore, logical to assume that the Soviet leadership is seriously weighing up this factor when determining the prospects of further development of dialogue with the United States at all levels.

Reagan 'Lectures' Soviets in Speech

LD301134 Moscow TASS in English 1120 GMT 30 Aug 87

[Text] Washington August 30 TASS — U.S. President Ronald Reagan in his latest Saturday radio address to the nation has repeated the main points he made about U.S.-Soviet relations in his speech in Los Angeles last Wednesday.

Just like that statement, it was marked by a spirit of confrontation with the USSR and familiar anti-Soviet rhetoric.

"Today America and the Soviet Union are adversaries as we have been since shortly after the Second World War," the President said early in the address. "This hostility was not of U.S. choosing," he claimed.

Just like in Los Angeles, Reagan chose not to recall that the initiative to start "cold war" belonged to the United States which institutionalized it as its official policy, conducted subversive activities against the Soviet Union and prepared a nuclear attack against it.

Reagan said it was to his administration's credit that it had launched the fastest U.S. military buildup ever in peacetime.

After mentioning a U.S.-Soviet agreement now in the works for dismantling medium-range and shorter-range missiles, he said in the same breath that the United States had begun working on "Strategic Defense Initiative" technologies.

It is well known, however, that realization of SDI will scuttle chances for reducing and scrapping strategic weapons.

Striking a mentor's pose, Reagan attempted to lecture the Soviet Union on how to conduct its home and foreign policies and "improve relations with the United States."

It followed from his address, just as his speech in Los Angeles, that Washington itself is not going to take any steps to go its half of the way.

The address is seen by political commentators as a kind of curtsey to extreme right-wing quarters in the United States, an attempt to assure them that the incumbent administration is determined to deal with the USSR from "positions of strength," in spite of possible accords with it.

The tone used by Reagan in his address matched the atmosphere of the presidential election campaign which has opened in the United States and in which the White House occupant has resorted to "tough" anti-Soviet rhetoric in the hope of securing politcal dividends for his think-alikes from the leadership of the Republican Party.

The President talked once again about the need to defend the principles of "democracy", disregarding the fact that he has been the central figure of the resounding Irangate scandal in the course of which it has been proved beyond doubt that the White House has been violating American laws most crudely, acting behind the back of Congress and made slander and deception the bedrock of its policy.

The New York Times in this connection calls attention to the fact that the formation of a kind of "government within the government" and the flouting by this clique of the U.S. consequence of the realization of the so-called program democracy formulated by Reagan in his speech to the British Parliament in June 1982.

A franker summary of the principles of that "program" was made in a later White House memorandum which recommended allowing for possible covert action on a large scale to protect "democracy".

The current exercises in anti-Soviet rhetoric, which the U.S. President has been doing more and more often, clearly have also another aim, namely to distract domestic attention from Irangate, a scandal the administration has not been able to scramble out of to this day.

Demichev Meets Pepper Delegation
LD281832 Moscow TASS in English 1757 GMT 28 Aug 87

[Text] Moscow August 28 TASS — The need for concrete positive shifts in the development of Soviet-U.S. dialogue in all areas and the renunciation of the course on confrontation in favour of the new political thinking and in the interests of all-embracing international security was stressed at a meeting between Petr Demichev, alternate member of the Political Bureau of the CPSU Central Committee and first vice-president of the Presidium of the USSR Supreme Soviet, and a delegation of the House Committee on Rules of the U.S. Congress. The meeting took place in the Kremlin today. The delegation is led by chairman of the committee Claude Pepper.

During the conversation, which had passed in a sincere and goodwill atmosphere, they discussed in detail the state of bilateral relations, primarily in the field of arms control. Both sides agreed that the earliest signing of a Soviet-U.S. treaty on medium- and shorter-range missiles would mark the first and extremely important step towards a real reduction of nuclear arsenals. Joint efforts of the two powers in the interests of nuclear disarmament would, undoubtedly, promote cooperation in other spheres as well. There are significant reserves in trade and economic ties of the two countries, scientific and cultural contacts. The release of funds used on the arms race, would allow the USSR and the USA to make a weighty contribution to the solution of global problems of the present day— the eradication of hunger, struggle with poverty and diseases, for the protection of the environment.

There was an exchange of opinions on the solution of issues, marked by different approaches.

The American congressmen showed much interest in the process of rejuvenation, under way in our country. Replying to the guests' questions, Petr Demichev stressed the firmness of the Soviet course on "perestroyka" and "glasnost", which enjoy truly nationwide support in the country. He said that the spirit of "glasnost" and frankness, which asserted themselves in approaches to solving domestic problems of the Soviet Union, must also become a feature of interstate relations. This would significantly ease a search for mutually acceptable solutions.

The participants in the conversation spoke out in favour of supporting and intensifying dialogue between the two countries and more regular interparliamentary contacts.

The conversation was attended by Lev Tolkunov, chairman of the Soviet of the Union of the USSR Supreme Soviet and chairman of the USSR Parliamentary Group, deputy of the USSR Supreme Soviet Georgiy Arbatov, other officials and U.S. Ambassador to the USSR Jack Matlock.

On the same day the U.S. delegation met with the USSR parliamentary group.

The guests visited Lenin's study and room in the Kremlin.

Parliamentarians See Congressmen
LD311405 Moscow TASS in English 1336 GMT 31 Aug 87

[Text] Moscow August 31 TASS — A group of MP's serving on the Supreme Soviet (parliament) of the USSR, including Georgiy Arbatov, Yevgeniy Velikhov and Aleksey Yeliseyev, and members of the Soviet Scientists' Committee for Peace and Against the Nuclear Threat today met at the Soviet parliament with members of the U.S. House of Representatives, including Thomas Downey, Bob Carr, Anthony Battista and Jim Moody, accompanied by a group of prominent American scientists and experts.

They discussed prospects for a general and complete end to nuclear testing, the issues of preserving the ABM Treaty and strengthening its regime, the significance of the SALT-2 Treaty to containing the arms race, the problems of banning and scrapping anti-satellite weapons, and the questions of forming inspector groups to inspect every space launch.

The American guests together with Soviet scientists will visit the area of Semipalatinsk where an experiment will be staged into veryfing compliance with potential nuclear test ban agreements.

Such experiments are conducted under an agreement between the National Resources Defense Council, which is a non-governmental organization in the United States, and the Academy of Sciences of the USSR.

Pentagon Reports Trident-1 Failure

LD241959 Moscow TASS in English 1943 GMT 24 Aug 87

[Text] New York August 24 TASS — The regular test of the U.S. "Trident-1" intercontinental ballistic missile has ended with a failure. Pentagon officials reported that the missile equipped with a dummy warhead was launched in the early hours of Monday from board the nuclear-powered submarine "Daniel Boone" which was submerged off Florida. However, as a result of malfunctions in the third stage, the missile plunged into the ocean without flying to the dummy target in South Atlantic.

According to the Pentagon officials' statement, the purpose of the test was to practice actions by the submarine crew. UPI reports that this has been the 28th such test of the "Trident-1" missile.

U.S. To Blame for Gulf Tension

LD252011 Moscow Domestic Service in Russian 1500 GMT 25 Aug 87

[Viktor Levin commentary]

[Text] [Announcer] A convoy of three Kuwaiti tankers under the U.S. flag, with U.S. Navy vessels accompanying them, has passed through the Strait of Hormuz successfully and entered the Gulf of Oman. As the U.S. ABC television network notes, during the escorting operation two incidents happened. The destroyer *Kidd* opened fire from a machine gun at two small wooden vessels — it has not been established which country they belong to — that found themselves on the route of the convoy. On the same day, a U.S. frigate was sent to block the way of an Iranian vessel that had come up to within about 1 km of the convoy and helicopters from the helicopter carrier Guadalcanal were sent up into the air. Here is a latest news commentary. Viktor Levin is at the microphone:

[Levin] These two incidents make a most depressing impression, primarily because, judging by everything, the fingers of the U.S. naval servicemen are itching to such a degree that they are ready to put their fists into action at any moment. But in fact, they caught sight of two tiny wooden vessels and opened fire at once. An Iranian naval vessel appeared. They immediately directed the muzzle of a gun at it and put helicopters into the air. One can only console onself that the Americans did not resort to military action.

But this is very poor consolation indeed. Commanders of U.S. ships have the right to open fire in any case where they consider that the ship that they have encountered has hostile intentions. It is easy to imagine that virtually anything you like can be considered as such for they began wading in against the wooden craft without taking the trouble to investigate who they belonged to and where they were going.

The U.S. NBC television network considers the Pentagon's idea of confusing everyone regarding its actions splendidly justifiable. As it says, they say one thing out loud and do domething else. They fix the convoy for one day and start up either earlier or later. I agree that the Pentagon is trying to confuse everyone, not with these little ruses but with the big game of playing with fire. In official Washington they talk about the need to ensure safety in the Persian Gulf, but in the same breath they claim that a quick buildup in military might here is essential for this. According to NBC's information, it is expected that up to 40 U.S. ships will be present in the Gulf and near it in the very near future. But the appearance of every new ship, taking into account the sanctioned bellicose attitude of their commanders, not only reduces safety but reduces it sharply.

I cannot get the idea of the firing on these wooden craft, firing that was clearly unprovoked, out of my head. In addition, it would seem that the U.S. fleet has decided to settle down in the Persian Gulf for a long spell. A special command has already been set up. They are not even stopping at the $1 million spent each day to maintain this armada. As we see, imperial ambitions turn out to have the upper hand. Where people are guided by such ambitions, they do not have to take reason and realism into account. The situation in the Persian Gulf, through the fault of the U.S. fleet, is becoming increasingly strained.

U.S.-USSR Issues Discussed

LD271639 Moscow TASS in English 1601 GMT 27 Aug 87

[Text] Moscow August 27 TASS — The Soviet Union and the United States held consultations on some bilateral issues and problems of cooperation between the USSR and the USA in humanitarian field, in Moscow on August 24-26.

US Deputy Secretary of State Richard Schifter and Deputy Assistant Secretary of State Thomas Simons, who took part in the consultations from the American side, were received by Soviet Foreign Deputy Ministers Anatoliy Adamishin and Aleksandr Bessmertnykh.

Parliamentarians Talk in Chautauqua
LD280827 Moscow TASS in English 0752 GMT 28 Aug 87

[Text] Chautauqua, New York State August 28 TASS — TASS special correspondent Igor Makurin reports: The third conference of representatives of the Soviet and American public continuing here has held a full-scale sitting to see how parliamentarians of the two countries look at the Soviet-U.S. relationship.

The floor was first given to the guests on behalf of whom spoke Academician Yevgeniy Primakov, a member of the Supreme Soviet (parliament) of the USSR.

Setting forth the view of Soviet MP's on the activities of the parliaments of the two countries to develop their relationship, he suggested a specific program of action based on a call to press, particularly rather than in words, for the renunciation of use of military means in U.S.-Soviet relations, meaning not only a global war but also power politics at regional level and even a show of force.

He proposed making every effort to prevent the arms race, a most dangerous and lethal race making the prospect of death for humanity a real one, from continuing through the fault of these or other forces.

"The Supreme Soviet of the USSR and U.S. Congress," Academician Primakov said further, "could do much to open more widely the door to cooperation between the two countries in resolving universal problems which can in a matter of decades equal for their threatening nature weapons of mass destruction. [sentence as received]

"This includes first of all ecological problems, the problems of backwardness and those of combatting old and new diseases which have come at mankind as if in revenge for its reckless, sometimes barbarous attitude to nature.

"We could do much also to democratize public and political affairs in our countries, especially processes directly affecting foreign policy elaboration," Primakov said.

The U.S. speaker was Bill Bradley, a popular Democratic senator from New Jersey who doesn't conceal he's seriously thinking of joining the presidential race when the time is right.

After saying that the future of Soviet-U.S. relations was a matter of great interest to him, which, he said, explained his recent visit to the USSR, he said he had doubts and concern about that future as well, but the dominant feeling was that of hope.

Bradley said he rejected the cold warriors' view that the world was too small for the two superpowers, just as the views of those claiming the United States and the Soviet Union were doomed always to be enemies.

He said quite a different future could be forged.

Mr Bradley voiced conviction that peace should become the foundation of future relations between the two great powers which should never fight against each other.

The senator spoke out in favour of effective efforts towards significant reductions in both nuclear arms and conventional ones, first of all, in central Europe.

As far as the joint action programme, put forward by the Soviet parliamentarian, is concerned, Mr Bradley, speaking at a press conference later, said it produced a great impression upon him and that it merited a detailed and in-depth study.

A lively interest among the participants in the conference was generated by a seminar on cultural exchanges between the two countries.

A popular American singer, John Denver, shared his impressions of his three trips to the USSR.

"This is a wonderful country with wonderful people who love and appreciate art", he emphasised.

Touching upon the role and responsibility of art workers in the present-day world, Mr Denver pointed out that they perform an immense enlightening function.

"By developing cultural contacts, we get acquainted with the cultural and intellectual world of each other, and contribute to getting to know other peoples and to bringing them closer together. Cultural contacts help us to overcome distrust and estrangement and to attain the cherished goal: peace and human harmony".

Furthering the idea, people's artist of the USSR Mikhail Ulyanov pointed out that art workers, as the mirror and eyes of their people, are called upon to be a connecting link between peoples, their history and culture.

"Art will be the ambassador which tells the truth about its people and reveals their finest aspects", he said. "There is a saying that when guns speak, muses keep silent. So, before guns begin to speak, muses should speak, shout, agitate, and strike the bells of alarm and hope for guns never to speak again at all".

A round-table meeting on problems of space cooperation has also been held in Chautauqua.

The world's first woman-cosmonaut Valentina Tereshkova spoke of the Soviet programme for peaceful exploration of outer space, the programme which would promote scientific and technological progress.

She recalled the Soviet proposal to establish an international space organization which would open access for small peoples to research activities and to the practical results of space research.

Embassy Offers Peltier Asylum
PM291450 Moscow PRAVDA in Russian 29 Aug 87 Second Edition p 5

[TASS report: "Soviet Embassy Notification"]

[Text] Washington, 28 Aug — The USSR Embassy in the United States has notified the leadership of the Leonard

Peltier Defense Committee of the Soviet Union's readiness to grant political asylum to that indefatigable fighter for the American Indians' rights. Peltier, who has been languishing in jail for nearly 12 years on charges fabricated by the FBI, made this request to the Soviet Government in early August, having lost hope that justice would triumph and the false charges made against him be lifted.

We are very grateful to the government and people of the Soviet Union for their support for the Indian people's hard struggle for their rights, John Hill, spokesman for the Peltier Defense Committee, said in a conversaion with TASS's correspondent. We are happy to learn that Leonard's request for political asylum in the USSR was considered and that a positive answer has been given.

Pilot, Paper View Aeroflot Incident

Ruga: 'Criminal' Attack

LD311636 Moscow TASS in English 1618 GMT 31 Aug 87

[Text] Moscow August 31 TASS — "A criminal psychological attack that could cost scores of people their lives." This is how Eduard Ruga, the captain of the Aeroflot passenger liner who was in near-collision with a U.S. Air Force fighter over New York described actions of the military jet.

On August 23 an American military plane flying on a head-on course passed within a perilously short distance of the Aeroflot Ilyushin-62 jet liner. Only the presence of mind and immaculate professionalism of the Soviet crew averted a collision.

Upon return to Moscow Ruga gave reporters details of the incident.

When a mere 26 kilometers remained to Kennedy Airport the crew noticed a dot approaching on a head-on course the Soviet liner that was descending in preparation for landing. "From the shape of rapidly approaching triangular wings I understood that it was a fighter. It was flying at three times our speed.

'A military plane directly ahead', we radioed the air traffic controller at once," Ruga went on to say. "Several seconds passed. The controller seemed to be waiting to see what would happen next and then said calmly 'Roger'. At the last moment the fighter veered to the side and passed less than 100 meters from our starboard."

Let us say for the sake of comparison that it is like two racing cars passing at a distance of man's palm from each other.

In the opinion of aviation experts the crew of the IL-62 acted with selfpossession and did not make a single mistake. The captain is a former Air Force pilot with a flight record of 14,000 hours. He has been working on international routes for 27 years now. His crew is one of the most experienced in the whole of Aeroflot.

Answering the question who was to be blamed for the incident over New York, Vladimir Nacharov, head of Aeroflot's International Service Department, said: "It could be a provocation. But it is too early to make final judgements. One thing is plain: Americans are unabashedly violating flight safety rules. This is confirmed by the August 14 incident over the same Kennedy Airport when one of the private planes nearly collided with a helicopter carrying President Reagan on board. After the incident the air traffic controller responsible was immediately fired.

"However, after the Soviet Embassy lodged a protest over the incident involving the Soviet IL-62 Federal Aviation Administration officials did not strictly rush to conduct an investigation and are trying to shield the controllers."

IZVESTIYA Comments

PM301454 Moscow IZVESTIYA in Russian 30 Aug 87 Morning Edition p 4

[A. Kuvshinnikov article under the rubric "We Report the Details": "Provocation? Perhaps"]

[Text] The incident in the sky over New York as a result of which a USAF fighter nearly collided with a scheduled Aeroflot Il-62M is continuing to attract great attention.

Thus, on 23 August the crew of the 210th flight detachment of the Aeroflot International Air Services Central Administration, headed by Pilot First Class E. Ruga, was on flight 315 on the Moscow-New York route. Let me go on to quote from the text of E. Ruga's report to the detachment commander: "During the descent from an altitude of 7,000 to 4,000 feet, at an altitude of 5,500 feet (that is approximately 1,700 meters), a near miss took place with a USAF fighter. The coordinates of the approach: abeam [traverz] runway-04 (runway at New York's Kennedy International Airport), 26 km out to sea. The fighter was on a collision course at an altitude of 5,500 feet, and with a 90-degree turn, passed at a distance of 50-100 meters from the right side of the plane."

You can judge for yourself how serious this incident was: According to the rules, aircraft on approaching courses pass 10 km apart, that is, 100 times further apart! It is as if two cars, hurtling toward each other, had missed each other by a centimeter...

Aircraft commander E. Ruga was born in 1937, is a first class pilot, and has been flying on international routes since 1960 and on the Moscow-New York route since 1978. He has flown a total of 14,400 hours, 6,745 of them on Il-62M's. He holds the Order of the Peoples' Friendship, the Order of the Labor Red Banner, and the "Labor Veteran" medal. "A very strong professional" — that is how his colleagues speak of him. The other members of the crew — copilot V. Nechayev, navigator M. Bakyshev, flight engineer A. Miklyukov, radio operator Yu. Avdeyev — are also handpicked airmen of a

high grade and with substantial experience. The incident clearly was not their fault — the airliner was proceeding precisely in accordance with the ground controller's commands. But then whose fault was it?

In the press recently reports on near misses betweeen aircraft in the sky over America have become common. Every day there are not just 1 or 2, but more than 100. True, they involve exclusively ordinary passenger liners. They are due to errors by air traffic controllers. After President Reagan disbanded their trade union for its stubborn strike struggle and dismissed all its members, far less qualified people have taken their places at the radar control panels, hence the errors.

But this time a spokesman for the U.S. Federal Aviation Administration defends the controllers: "We are not saying there was nothing, but the controllers saw nothing on the screens." According to him, this can happen when the automatic transponder on the plane is not switched on.

One cannot help wondering: Is not this a highly dangerous and incredibly risky provocation? That idea would explain much — a military aircraft without an automatic transponder, springing out like a jack-in-the-box, and the American side's reluctance to send our experts a copy of the tape recording of the Soviet crew's conversations with the air traffic controllers at the time of the incident. Our aircraft also has a tape recorder, but the Americans firmly promised a copy of their own tape, and when the Il-62M departed for its return journey a few hours later, the recording on the on-board tape recorder was erased.

Though it would hardly constitute evidence anyway — if it really was a provocation, then of course it was not the New York airport controllers who guided the fighter to its target... And its organizers would undoubtedly have carefully erased any documentary evidence.

The Soviet aviation authorities, from I.F. Vasin, deputy minister of civil aviation, to the leadership of the 210th flight detachment and the Sheremtyevo-2 duty services, have shown the maximum readiness to cooperate in your correspondent's attempts to find out the details of the incident. This attitude to journalists' work deserves sincere gratitude and thanks. But they felt that far-reaching conclusions should not yet be drawn from the available facts, especially since the U.S. Federal Aviation Administration, on the Soviet side's demand, has after all begun an investigation of the incident, and the question of the copy of the tape recording is not, apparently, closed yet. So let us confine ourselves to the quest for facts and not be in a hurry to draw conclusions or make accusations.

China

Demichev Talks With PRC Visitors

PM011309 Moscow IZVESTIYA in Russian
1 Sep 87 Morning Edition p 4

[TASS report under the general heading "Delegation's Visit"]

[Text] P.N. Demichev, CPSU Central Committee Politburo candidate member and USSR Supreme Soviet Presidium first deputy chairman, received in the Kremlin on 31 August a delegation of the Chinese National People's Congress [NPC] Nationalities Committee headed by Yu Wen, member of the NPC Standing Committee and vice chairman of the committee.

It was stressed that the Soviet Union, based on the principled line elaborated at the 27th CPSU Congress and developed and given concrete expression in M.S. Gorbachev's speech in Vladivostok, favors developing multifaceted cooperation, consolidating good-neighborly relations with the PRC in the interests of socialism, and strengthening security and stability in the Asian and Pacific region and throughout the world.

The Chinese parliamentarians were told about the progress in restructuring in the Soviet Union, which is entering its most crucial period — the period of practical actions. P.N. Demichev informed them about the role played by the Supreme Soviet and local organs of power in the work of implementing the transformations and democratizing the life of society. The USSR's experience in questions of national building was also detailed.

The visitors' attention was drawn to the Soviet Union's vigorous activity in shaping and establishing new political thinking in international relations.

Yu Wen spoke highly about the Soviet people's achievements in the 70 years since the Great October Revolution and noted that the visit by the delegation and the numerous meetings and conversations held during the trips to various regions of the Soviet Union were interesting and useful from the standpoint of exchanging experience of socialist building. The Chinese people, he said, wish the Soviet people success in restructuring.

During the conversation, which was held in a friendly atmosphere, the two sides advocated the further expansion of parliamentary ties, which play an important role in deepening USSR-PRC understanding and strengthening the traditional friendship of the Soviet and Chinese peoples.

The following took part in the conversation: A.E. Voss, chairman of the USSR Supreme Soviet Soviet of Nationalities; T.N. Menteshashvili, secretary of the USSR Supreme Soviet Presidium; K. Turysov, deputy of the USSR Supreme Soviet; other officials; and Lee Fenglin, Chinese charge d'affaires in the USSR.

A luncheon was given in the delegation's honor on behalf of the USSR Supreme Soviet Soviet of Nationalities.

Delegation Visits Lenin's Tomb

LD301824 Moscow Domestic Service in Russian
1400 GMT 30 Aug 87

[Text] In Moscow today a delegation of the Nationalities Committee of the Chinese National People's Congress [NPC], led by Yu Wen, member of the NPC Standing

Committee, deputy chairman of the committee, visited Vladimir Ilyich Lenin's mausoleum and laid a wreath there. A wreath was also laid at the tomb of the Unknown Soldier by the Kremlin Wall. The guests travelled to Gorki Leninskiye, where they viewed the memorial house-museum of the founder of the world's first socialist state.

On the same day the Chinese parliamentarians acquainted themselves with the achievements of the Soviet economy at the USSR Exhibition of Economic Achievements. The day before they paid a visit to localities near Moscow, where they toured a number of agro-industrial facilities.

Northeast Asia

Navy Conducts Exercises on Sakhalin

OW290717 Tokyo KYODO in English 0640 GMT 29 Aug 87

[Text] Tokyo, Aug. 29 KYODO — The Soviet Navy conducted landing exercises on the southern coast of Sakhalin Friday, Maritime Self-Defense Force (MSDF) officials said Saturday.

Soviet air units conducted a large-scale bombing drill in the region at the same time, according to the officials.

Of the 25 Soviet Pacific Fleet ships which entered the Sea of Okhotsk via the Soya Strait on Thursday, 14 warships, including the aircraft carrier *Novorossiysk* and the amphibious assault landing ship *Ivan Rogov,* passed the Soya Strait again late Friday and early Saturday morning, the officials said.

The 14 warships are expected to return to Vladivostok, they said.

The remaining 11 surface combatants, including the nuclear-powered missile cruiser *Frunze,* are apparently continuing naval exercises in the Sea of Okhotsk and the northwest Pacific, the officials said.

Krylov Views 'Anti-Soviet' Japan

PM291640 Moscow IZVESTIYA in Russian 30 Aug 87 Morning Edition pp 4-5

[V. Krylov article: "Who Stands To Gain"]

[Text] The Soviet Embassy in Tokyo is located in a central district of the Japanese capital, where it is always busy and noisy. But on 9 August something unimaginable happened here. Crowds of people yelling, dozens of trucks equipped with loudspeakers, posters stuck to posts and railings...

In the Japanese islands, 9 August — the day the USSR entered the war against militarist Japan in 1945 — has basically been officially proclaimed "anti-Soviet day," and the demonstrations described above are timed to coincide with it. The posters stuck everywhere cry: "We will not forget!" Indeed, certain circles in the Land of the Rising Sun are quite unable to reconcile themselves to the ignominious defeat of militarist Japan, to which the Soviet Union made a decisive contribution.

However, the "performance," organized this time with the blatant connivance (not to say at the instigation) of the authorities, surpassed all former anti-Soviet sallies in its scale and scope. What are the reasons for this turn of events?

The prospect for a revival of Soviet-Japanese relations has seriously worried the U.S. ruling circles. Not surprisingly! Japanese businessmen saw an opportunity to gain real benefit from the processes connected with the restructuring in the Soviet Union. The widening of economic cooperation could be followed by closer political contacts, even at the highest level!

Then Soviet submarines "surface" on the political scene and suddenly become noiseless: It is all the fault of the Japanese firm Toshiba Kikai, which sold us some special milling machines, and so on, and so forth. "Soviet agents," who apparently have long since taken a liking to Japan and regard it as a "spies' paradise," have stolen top secret documents from the American base in Yokota. And so it goes on!

The U.S. Congress adopts one threatening resolution after another, branding the Japanese ally as "unreliable." American senators demand that Tokyo pay a forfeit of 30 (!) million dollars (that was the round figure at which U.S. security was valued). Prime Minister Nakasone publicly called Toshiba practically the enemy of the nation and a traitor to the people. On the White House lawn, congressmen who had reached boiling point smashed up with hammers a tape recorder bearing the brand name of the guilty firm.

All in all, there was more than enough fuss about the "silent propellors." All that was lacking was facts. It emerged that the Pentagon first sounded the alarm about its inability to track Soviet submarines 2 years before Toshiba Kikai concluded a contract with a Soviet foreign trade association. The secret documents that we "lost" at the American military base had, it became known, been published for specialists and are not secret. Most importantly, it proved quite impossible to find the "perfidious Russian agents;" therefore, it became necessary to make groundless accusations against representatives of Soviet institutions in Japan.

The Japanese authorities who organized the campaign must be given due credit: Their efforts were not in vain. They managed seriously to poison the atmosphere in Japanese-Soviet relations and to erect new obstacles in the path of cooperation in the trade and economic sphere.

As for official Tokyo, it has apparently decided to play the "anti-Soviet card" to carry out a twofold task: On the one hand, to "butter up" its boss, who is seriously angry

about Japanese trade expansion, and on the other, to try to tighten further the antidemocratic screws in its own country and artificially create the conditions for the adoption of so-called anti-espionage legislation.

For the sake of these unseemly goals, Tokyo jeopardized the development of Japanese-Soviet relations. This is clear not only from the ugly scenes at the Soviet Embassy. It is also indicated by highly eloquent facts about the activity of Japanese officials in our country.

The peaceful provisions of the Japanese Constitution ban military operations on foreign territory. One therefore wonders: For what purpose did Japanese Embassy staffers T. Okamoto, the air force attache, and N. Takesima, the naval attache [names as transliterated], need a detailed description of the dam on a trip to the Dnepr GES? In the opinion of experts, the information they collected is not needed for peaceful purposes.

The same gentlemen set about photographing Soviet submarines in Odessa, where they were detained by a military patrol. At first, just in case, the Japanese disavowed their diplomatic rank and called themselves "tourists." In a subsequent conversation, however, the diplomats fully admitted violating the procedure governing their stay in the USSR. Add to this the fact that certain Japanese diplomats (and the staffers of military attache departments are officially numbered as such), before coming to work in the USSR, undergo training either in Britain at the intelligence school at Beaconsfield or in the United States, and it becomes clear that their actions are not dictated by mere curiosity. Since Japan is not planning to wage war on us, how can these peoples' actions be explained?

In trying to collect intelligence information in the USSR, Japanese "diplomats," "businessmen," and "journalists" not only click the shutters of their cameras on the sly. They seek out people who are morally unstable, grasping, and prepared to commit treason.

Small gifts from Japanese dealers have led to large-scale official crimes... Certain Japanese representatives begin their business contacts with sops even now.

Much could be said about how a Soviet citizen, a certain R., came into the field of vision of Japanese official representatives. Japanese intelligence recruited him in China, where he was during the war years. R. suffered for his old sins the punishment laid down in such cases, but he did not lose his love for "affairs" of this kind, and his former masters did not forget their devoted servant. At first, journalists from the Land fo the Rising Sun began to hover around him, then embassy staffers started to visit R. Every time, the guests brought gifts and sometimes paid a reward for "work done" in fairly substantial denominations.

Japanese Embassy staffers came and went, but the nature of relations with R. remained unchanged.

Scientists, journalists, and people of other professions pass through the Japanese diplomats' "sieve." They are asked, for instance, to give advice, and in between times they are lured: "Would you like us to organize a business trip to Japan, at our expense?"

Those who are valued rather lower are dealt with more simply — they may, for instance, immediately give them some "boots my wife has only worn two or three times." And if a very simple little piece of "information" is needed, there is no need to think about it: Take a bit of money and go to the girls of easy virtue, as former embassy Counselor K. Komati [as transliterated] did. They will gratify you and spin lengthy yarns.

That is how, little by little, information of various levels of value is obtained.

And sometimes it is not little by little. Remember a really flagrant instance that our press has written about before. I am referring to an espionage container that crossed our entire country from Nakhodka to Brest, processing intelligence data.

It is hard even to imagine what Japan would do if a similar thing happened there, but the Japanese press maintains an embarrassed silence.

This "activity" by Japanese representatives in the USSR requires funds, considerable funds. That being so, the conclusion suggests itself that there is some kind of order or instruction at the Japanese Foreign Ministry under which it is imposed on diplomats as a duty to collect information and pay generously for the labor of those who provide it. The only thing that is unclear is, how is this expenditure accounted for to the taxpayer?

This article has cited only a small number of facts testifying to the subversive activity of the Japanese special services against the USSR. Naturally, all this is being done under the leadership of the official Japanese authorities and with the direct complicity of the CIA.

We are far from wishing to cast aspersions on all the Japanese who come to our country in the interests of business and the development of cooperation. But we cannot close our eyes to the fact that these ties are sometimes used in not such good interests. If the Soviet press refrains from blowing up a "spy mania" campaign in its pages (as is happening in Japan), this only means we are guided by far more serious considerations, the long-term interests of our countries' cooperation.

TASS on Nakasone on Gulf Moves

LD281548 Moscow TASS in English 1514 GMT 28 Aug 87

["Dangerous Sophistry" — TASS headline]

[Text] Moscow August 28 TASS — Follows commentary by Askold Biryukov, a TASS political news analyst:

Japanese Prime Minister Yasuhiro Nakasone has once again used the method of "shock therapy" against his citizens, in attempting to reduce to a naught the anti-war

bans contained in the Japanese Constitution and the parliamentary acts. Addressing on Thursday the committee of the lower chamber of the Parliament for the affairs of the cabinet, he for the first time expressed in public the view that there are no obstacles to sending a Japanese naval force to the Persian Gulf for carrying out minesweeping operations. He is convinced that operations by the Japanese Navy in the Persian Gulf, where the Iran-Iraq war is raging, by no means differ from minesweeping in the area of Maizuru Port on the west coast of Japan. This will serve the aim of protecting Japanese ships and will not fall under the category of "use of force" or "dispatch of troops abroad", the premier said.

The discourse by the Japanese prime minister can be described only as sophistry. Yet this does not make it essentially less dangerous. Since Tokyo more than once used the words "protection" and "defence" in the past as a cover for purely militaristic actions. The Japanese Constitution, which was adopted after Japan's defeat in the war unleashed by her in the Asian-Pacific region, contains a ban on the creation of armed forces in that country as well as the use of force or threat of its use to settle international disputes. These armed forces were formed contrary to the country's Constitution under the pretext of "defence". Their defence capacity now is tens of times greater than the defence capacity of the old imperial army, while the anti-submarine and mine sweeping capability of the Japanese Navy is higher than that of many NATO member-countries. Some people in Tokyo are apparently impatient to test them "in action". The Persian Gulf and the armed conflict raging in it is, in their view, exactly such an opportunity.

There is also a legal ban in Japan on the dispatch of military units abroad. Yet, as the prime minister believes, what he was speaking in Parliament on Thursday about, is not a "dispatch of troops" but just "protection" of Japanese ships. But what happens if the Japanese naval ships sent to the Persian Gulf are involved in an armed conflict? Won't it become necessary to protect the latter?.

They in Tokyo are speaking not for the first year now about the need to "protect" Japan's sea lanes. First — within a radius of 1,000 miles from its hores. And now already from Guam to the Persian Gulf. In saying so they pharisaically claim that for the sake of that protection the country can create practically any "defencive weapons" from aircraft carriers, if they are designed to "protect" sea lanes running to Japan, to nuclear weapons, if they are to "defend" Japan or "prevent an attack" against her.

It is not accidental that definite Japanese circles are trying to obliterate the difference between offensive and defensive weapons which served as a pretext for an American newsman to put a venomous question to the Japanese side: When were they going to have "defensive intercontinental ballistic missiles"?

The Japanese prime minister, who made a statement on the "legal possibliity" to send Japanese naval vessels to the Persian Gulf, apparently decided to take advantage of one of the regional conflicts so as to break a whole chain of post factum violations of the peaceful articles of the fundamental law and other legal acts officially in effect in Japan during the time remaining before his resignation.

But the dispatch of Japanese naval ships abroad would be not just another violation of the Japanese Constitution and the corresponding legal ban on that, but would also go against the will of the international community placed on record in the known resolution on the Persian Gulf recently adopted at the U.N. Security Council, containing a call to all states to display maximum restraint, to refrain from any actions which may result in a broadening of the conflict.

Yasuhiro Nakasone has provided no few examples of how he implements the credo put forward by him of "drawing a line" under the post-war period. Obviously he believes that this credo can be implemented through turning his country into a full-scale military power which has already once brought Japan to a tragedy.

Japan To Supply Plant Designs

LD251319 Moscow TASS in English 1102 GMT 25 Aug 87

[Text] Moscow August 25 TASS — Japanese companies are reconstructing operating Soviet ammonia plants, a TASS correspondent was told today at the Soviet Foreign Trade Techmashimport organisation. This is envisaged under the contract signed by this association with the Japanese Toyo Engineering and Mitsui companies. The contract is worth nearly 100 million dollars.

It provides for the supply to the USSR of design papers and equipment for the reconstruction of four ammonia plants built earlier with the participation of Toyo Engineering. The output capacity of the plants will grow 25 per cent after their modernization, Techmashimport said.

The supply of design papers and equipment is to be completed in 1989. In the same year it is planned to complete the modernization of the first two plants.

The project is being implemented on a compensation basis: A contract for the cross-haulage of ammonia to Japan is to be signed soon. The shipment for export of ammonia produced at modernized plants is to start already in 1989.

Joint Japanese Union Meeting Ends

LD261054 Moscow TASS in English 1758 GMT 25 Aug 87

[Text] Leningrad August 25 TASS — Representatives of the trade unions of the Soviet Union and Japan have called for the elaboration and implementation of comprehensive confidence-building measures aimed at making the Asian-Pacific region a zone of peace and good-neighbourly cooperation, free from nuclear weapons.

The call is contained in a joint declaration adopted here today on the results of the two-day 16th Soviet-Japanese trade union meeting which was held under the motto "For Peace and Friendship Between the Peoples of the Soviet Union and Japan" and was dedicated to the 70th anniversary of the Great October Socialist Revolution.

The declaration expresses support by representatives of the trade unions of the two countries for the Soviet Union's peace initiatives.

The meeting was attended by representatives of the All-Union Central Council of Soviet Trade Unions (AUCCTU) and two Japanese trade union centres — the General Council of the Trade Unions of Japan (Sohyo) and the Liaison Council of Independent Trade Unions of Japan (Churitsu Roren).

The first such meeting took place in Khabarovsk in 1968.

DPRK 'Prepared' To Prepare Talks

LD281904 Moscow TASS in English 1707 GMT 28 Aug 87

[Text] Pyongyang August 28 TASS — The DPRK is prepared for preliminary contacts with South Korea for preparing for talks between the foreign ministers of the North and South of Korea and the U.S. secretary of state. This is pointed out in the statement issued here today by the DPRK Foreign Ministry. Considering the stand of the U.S. and South Korean sides, the DPRK believes that such a preliminary meeting could be held with the participation of the North and South alone.

A lowering of the level of military-political confrontation is of paramount significance for lessening tensions in Korea, creating there favourable conditions for a peaceful reunification of the country, says the statement. A practical contribution to the settlement of that issue can be made by the implementation of the DPRK's recent initiative on the holding of talks with the participation of the foreign ministers of the North and South and the U.S. secretary of state.

At the same time Washington and Seoul which continue following the policy of confrontation and partitioning of Korea are piling up obstacles in the way of implementing the DPRK's proposals. They are trying to replace the formula of tripartite talks with a South-North dialogue without U.S. participation. The problem of a cut in arms in the Korean peninsula is directly linked with the U.S. military presence in that part of the world. That is why the U.S. secretary of state should take part in the talks on the ways of relaxation of tensions in Korea along with the foreign ministers of the North and South, the statement says.

Southeast Asia & Pacific

PRK on 'National Reconciliation'

PM301217 Moscow PRAVDA in Russian 28 Aug 87 Second Edition p 4

[TASS report: "Declaration Issued"]

[Text] Phnom Penh, 27 Aug — A PRK Government declaration has been issued here today, proclaiming a policy of national reconciliation aimed at settling the situation around the republic and stabilizing the situation in the region.

The policy of national reconciliation, the document notes, presupposes the unification of all Kampucheans regardless of their past, their class or ethnic origin, or ideological and religious beliefs in a single, monolithic bloc so as to build a progressive, equitable, and just society.

The PRK Government declares its readiness to meet with opposing Khmer groupings and their leaders with the exception of the criminal Pol Pot and certain of his closest supporters.

The republic's government will welcome all initiatives which correspond to the principles and content of the policy of national reconciliation and are aimed at strengthening peace and stability in Southeast Asia and throughout the world.

M. Yakovlev Praises Policy

LD281650 Moscow TASS in English 1537 GMT 28 Aug 87

[Text] Moscow August 28 TASS — Follows commentary by Mikhail Yakovlev, a TASS political news analyst:

The Government of the People's Republic of Kampuchea has put forward a fresh important initiative aimed at settling the situation around the republic and stabilizing the situation in Southeast Asia. It issued a statement proclaiming a national reconciliation policy.

As the statement points out, this policy presupposes the reunifaction of all the Kampucheans irrespective of the past, class or ethnic origin, ideological and rleigious views into a single monolithic bloc in the name of building a progressive society of equality and justice.

To that end the government of the People's Republic of Kampuchea is prepared to meet with the opposing Khmer groupings and their leaders, with the exception of Pol Pot and some of his closest supporters, who are known to be responsible for brutal crimes against their own people.

All who would sincerely wish to contribute towards a strengthening of their homeland, building a prosperous Kampuchea on the land of Angkor may take part in the national reconciliation process. The Kampuchean Government urges all people deceived by propaganda to

reunite with their families and return to normal work. All who go over to the side of the people will enjoy civil rights. Hence the national reconciliation policy thus proclaimed creates favourable conditions for the Kampuchean residents abroad to participate in building and defending their homeland.

A settlement of the situation around the People's Republic of Kampuchea would, undoubtedly, contribute to a considerable improvement of the situation in Southeast Asia. This idea increasingly grasps the minds of people in the countries of the region. No few figures declare for a political settlement of the problem, for a negotiated settlement of the situation. It is getting increasingly obvious that methods of armed interference will lead nowhere.

It is high time to put an end to the undeclared war against Kampuchea, to the suffering caused on the Kampucheans by the Pol Pot men. The People's Republic of Kampuchea has repeatedly put forward constructive proposals aimed at lessening tensions along the border between Kampuchea and Thailand, at resolving the problem of Kampuchean refugees and other issues through negotiations.

This time again the leadership of the People's Republic of Kampuchea urges the Thai authorities and international organisations to take measures for putting an end to the use of the refugee c nps with military and political aims against the Ka. puchean people and for putting an end to the acts of terrorism. It must be said, however, that the course of actions by some Southeast Asian nations is conducive only to a growth of tensions both on the Kampuchean-Thai border and in the region. No few efforts are made there to sow distrust in peaceful, constructive initiatives of the states of Indochina, including of Kampuchea, favouring a dialogue between the Indochinese states and the ASEAN member-countries and a political settlement of the problem.

Phnom Penh's fresh important initiative will, undoubtedly, meet with a broad positive response in the Asian countries and the world as a whole. The ASEAN member coutnries could make their own, and no small, contribution to the settlement of the problem. As far as the Soviet Union is concerned, it is convinced that the idea of national concord is slowly but surely making headway, and, consequently, the Kampuchean problem can and must be settled by political methods.

Moscow Radio Hails Policy

BK310722 Moscow in Cambodian to Cambodia 1330 GMT 30 Aug 87

[Station commentator's dispatch]

[Text] The People's Republic of Kampuchea [PRK] Government has just made public its policy on national reconciliation. This was announced at a press conference called by Comrade Kong Korm, Cambodian minister of foreign affairs. This new Cambodian initiative, according to the dispatch sent from Phnom Penh by our commentator, was aimed at improving the situation throughout the republic and stabilizing the situation in the region.

Cambodia is being reborn. A general revival movement is underway there. This movement started from scratch because the anti-national and anti-people Pol Pot regime transformed Cambodia into a heap of rubble and did away with more than one-third of the population. Today, the Cambodian people are the genuine master of their own country. They have elected a government that represents their interests, and the Cambodian Armed Forces have now assumed responsibility for protecting the country's sovereignty.

However, the Khmer reactionaries continue to harass and disturb the Cambodian people who are living under the new system. Foreign patrons, unhappy with the current development of Cambodia, continue to lend a helping hand to the subversive activities of the Khmer reactionaries. All of this has created the Cambodian problem.

In the interest of the Cambodian people and peace in Southeast Asia, it is imperative to solve this problem without delay. The PRK Government has proposed that all Cambodians, regardless of their past or ideological and religious views, reunify. Everyone who returns to the fatherland will enjoy full civil rights as citizens. The authorities will assist them, find work for them, and provide them with all assistance needed to set up a normal trade. In the name of peace and reconciliation, the PRK Government is ready to meet with the leaders of all expatriate Khmer groups, with the exception of the criminal Pol Pot and his closest lieutenants, who are already convicted of massacring more than 3 million Cambodians.

The Vietnam-Indonesia talks in Ho Chi Minh City resulted in an agreement to stage an informal meeting of all Cambodian factions concerned. It was also decided that, at a later stage of this meeting, Vietnam as well as other interested countries might be invited to participate. It is regrettable that the ASEAN countries in their latest conference in Bangkok have markedly departed from the Vietnam-Indonesia agreement. Nevertheless, these incidents clearly show that, despite its slow momentum, the idea of national reconciliation in Cambodia is blazing a heart-warming trail forward.

Philippine 'Provisional Government' Proclaimed

LD311419 Moscow TASS in English 1345 GMT 31 Aug 87

[Text] Manila August 31 TASS — Presidential Press Secretary Teodoro Benigno stated today after a Philippine Government meeting here that there existed a serious danger of a repeated military coup attempt.

However, he pointed out, President Corazon Aquino considers it premature to impose a state of emergency in the country.

The group of officers who were at the head of the failed mutiny and who are now in hiding in one of the provinces of Central Luzon to the north of Manila have proclaimed a Philippine "provisional government" headed by a military junta.

They stated that they considered the 1935 constitution valid, and called for the holding of new presidential elections.

The cadets of a military school in the city of Baguio came out in support of the mutineers.

Near East & South Asia

Iranians Attack Kuwaiti-Flagged Ship

LD311241 Moscow TASS in English 1154 GMT 31 Aug 87

[Text] New York August 31 TASS — An Iranian speedboat today attacked a Kuwait-flag container ship, *Associated Press* has reported from Bahrain's capital Manama.

The news agency quoted local sources as saying that the Kuwaiti vessel *Jabal 'Ali* was attacked by Iranian "Guards of the Islamic Revolution" in a speedboat off the emirate of Umm al-Qaywayn.

The speedboat fired two anti-tank rockets which damaged the deck superstructure. There were no casualties, according to the report.

The agency believed that the attack was Tehran's first retaliatory strike since Iraq resumed raids on Iranian installations and shipping.

Talks on Arms for Iranian Oil Denied

JN310922 Manama WAKH in Arabic 0740 GMT 31 Aug 87

[Text] Abu Dhabi, 31 Aug (WAKH) — An official from the Soviet Foreign Ministry has denied that there are negotiations between his country and Iran to barter Iranian oil with Soviet weapons and military equipment. The Abu- Dhabi-based *Al-Ittihad* today quoted a Soviet official as saying that his country does not need oil from any country and that its own oil is sufficient. He added that Moscow is against exporting arms to the two warring sides, Iraq and Iran. He said that his country strongly criticized the U.S. arms deal with Iran.

The Soviet official noted that the exchange of visits between Soviet and Iranian delegations has become normal and usual between Moscow and Tehran. He said: It is the Iranian side that called for improving trade and economic relations with us. We affirmed to them that there are no obstacles from the Soviet side to what will benefit the two countries. He added that the contacts between Tehran and Moscow focus only on the exchange of commodities and reinforcing of economic and trade relations between the two countries.

Larijani: Iran Seeks True Cease-Fire

LD281351 Moscow TASS in English 1336 GMT 28 Aug 87

[Text] Bonn August 28 TASS — Iran is seeking an actual ceasefire, Mohammad Javad Larijani, Iranian deputy foreign minister, said here today. He is currently on a tour of a number of West European countries. Addressing a press conference held after his meeting with FRG Foreign Minister Hans-Dietrich Genscher, the Iranian representative said that his country wishes for participation in a genuine peace process. Yet Larijani did not say whether Iran was going to accept official U.N. Security Council Resolution 598 of July 20 this year calling for an immediate ceasefire between Iran and Iraq.

IZVESTIYA on Syrians' Visit

PM271625 Moscow IZVESTIYA in Russian 28 Aug 87 Morning Edition p 4

[Unattributed report: "On the Visit to the USSR by a Delegation of the Syrian People's Assembly"]

[Text] At the invitation of the USSR Supreme Soviet a delegation of the Syrian People's Assembly headed by Mahmud al-Zu'bi, member of the Ba'th Party Regional Command and speaker of the Syrian People's Assembly, paid an official friendly visit to the Soviet Union from 18-25 August 1987.

The delegation was received by P.N. Demichev, candidate member of the CPSU Central Committee Politburo and first deputy chairman of the USSR Supreme Soviet Presidium.

Meetings and conversations were held with L.N. Tolkunov, chairman of the Soviet of the Union, and with chairmen and members of standing commissions of the USSR Supreme Soviet chambers.

The Syrian parliamentarians laid wreaths at the V.I. Lenin Mausoleum and the Tomb of the Unknown Soldier and visited the USSR Exhibition of National Economic Achievements. In addition to Moscow the guests visited Leningrad and the Ukraine and toured industrial and agricultural enterprises. The delegation members were familiarized with the progress of restructuring in the USSR and with the work being done to carry out the decisions of the 27th CPSU Congress, the CPSU Central Committee January and June (1987) Plenums, and the USSR Supreme Soviet June session aimed at renewing Soviet society.

For their part, the Syrian representatives described the achievements gained in Syria under the Ba'th party's leadership and in accordance with the decisions of its seventh regional conference, the activity of the People's Assembly, the significance of the National Progressive Front in internal building, and also the patriotic and progressive role which Syria is playing in opposing U.S. and Israeli plans.

During the conversations both sides noted with satisfaction the progressive development of the entire range of Soviet-Syrian relations, which are based on the firm

foundation of the Treaty of Friendship and Cooperation. Important impetus was given to this development by the accords reached during the summit-level talks and conversations in Moscow in April this year. The Soviet-Syrian joint space flight was a vivid demonstration of the fruitfulness of bilateral relations.

An exchange of opinions on crucial international problems confirming the broad identity of the two countries' positions was held in an atmosphere of friendship and mutual understanding. The sides expressed concern at the tension in the world, which is being sustained by aggressive circles. They resolutely condemned the imperialist policy of the arms race and the attempts at diktat toward liberated states.

It was emphasized that there is an urgent need to end the rivalry in the military sphere and above all to end the stockpiling of the nuclear arsenals and to begin to eliminate them, as the Soviet Union proposes. The resources thus released could be directed toward development needs and the solution of other global problems. The joint striving was expressed to help prevent the militarization of space and to transform space into a sphere of international cooperation.

The Soviet side gave the Syrian representatives a detailed report on the USSR'S large-scale initiatives whose implementation would ensure a better future for mankind in the conditions of a nonnuclear world, freedom from violence, and equitable cooperation.

The Syrian People's Assembly deputies rated highly the Soviet Union's constructive foreign policy course, its concrete steps aimed at fundamentally improving the international atmosphere, and its principled line of supporting the peoples' struggle for their legitimate interests, including the Arab countries' struggle.

During the discussion of regional problems it was stressed that they must be resolved by political means and must not be used as a pretext for imperialist interference.

The sides expressed serious concern in connection with the preservation of tension in the Near East. Reaffirming their nonacceptance of the policy of partial and separate deals, including the Camp David policy and its consequences, the Soviet and Syrian parliamentarians stated their view that a comprehensive and lasting peace in the Near East can be established only on the basis of the withdrawal of Israeli forces from all Arab territories occupied since 1967 and the implementation of the legitimate rights of the Arab people of Palestine including their right to return to their hearths and homes and to self-determination and the creation of their own independent state in accordance with the the United Nations resolutions. The sides favor collective methods to achieve a comprehensive and just Near East settlement by means of a genuine and effective international conference to be held under the auspices of the United Nations and with the participation of all interested parties including the PLO and the implementation of practical steps with the aim of convening such a conference.

It was noted that it is important for the Arabs to pool their potential and to mobilize it for the struggle to establish a comprehensive and just peace in the region and to counter the aggressive designs of imperialism and Zionism.

The Soviet and Syrian parliamentarians declared their solidarity with the struggle of the Lebanese people, and above all with their national patriotic forces, for the liberation of their land from Israeli occupation. It was stressed that it is necessary to achieve a national accord in Lebanon while preserving the country's unity, independence, sovereignty, and territorial integrity.

The sides expressed profound concern in connection with the escalation of tension in the Persian Gulf. They denounced the unprecedented buildup there of the U.S. and other Western fleets under the pretext of ensuring the safety of navigation. The sides expressed the shared opinion that it is necessary to seek a solution to the problems of the region, and above all an end to the war between Iran and Iraq, by peaceful means with the aim of rallying the region's forces opposed to imperialism and Zionism.

The Soviet side expressed support for the initiative of the Syrian Arab Republic aimed at the convocation of an international conference under the auspices of the United Nations to define terrorism and the difference between terrorism and peoples' legitimate struggle for liberation.

The talks participants emphasized the importance of the active involvement of all countries, big and small, in bringing about a radical breakthrough in the international situation. In this context they noted the important role which is to be played by parliaments in the struggle for universal security and peace, rapprochement between peoples and the strengthening of trust between them.

The active stance of the nonaligned movement in tackling the problems of our time was noted with satisfaction. The Soviet representatives gave a high appraisal to the positive contribution made by Syria to the nonaligned countries' efforts.

The Soviet and Syrian parliamentarians discussed questions of the further deepening of ties between the USSR Supreme Soviet and the Syrian People's Assembly as an important part of Soviet-Syrian political collaboration and expressed the mutual desire to continue the exchange of experience and information and also the coordination efforts on both bilateral questions and international problems of mutual interest.

The speaker of the Syrian People's Assembly invited a USSR Supreme Soviet delegation to make an official visit to Syria. The invitation was gratefully accepted.

Muslim Leader Speaks on Saudi Pilgrimage
NC311133 Moscow in Persian to Iran 1500 GMT 30 Aug 87

[From the "Islam and the Contemporary World" feature]

[Text] A group of Muslim pilgrims from the Soviet Union recently visited Saudi Arabia. After their return, our correspondent asked Sheykholeslam Allashukur Pashayev, head of the delegation of Soviet pilgrims and chairman of the Spiritual Administration of Muslims of the Transcaucasus, about his trip.

Pashayev said: [Begin recording] In the name of God, most gracious, most merciful. Praise be to God, the cherisher and sustainer of all worlds. Prayers and peace be upon our master Muhammad, his scion, and all his companions. [end recording]

Pashayev said: This year a group of Muslim pilgrims visited Saudi Arabia from the Soviet Union. We were there when the Mecca tragedy took place and learned sadly of the sacrifices among the pilgrims. Mecca is a holy place for all Muslims, and Muslims should go there with a feeling and spirit of peace and high ideals. The Muslims there should set aside everything preventing their associating with God. These incidents do not benefit Muslims but serve the interests of those who want to disperse them.

We asked Pashayev: Your Holiness, we receive questions from our listeners [words indistinct] that Soviet citizens are not seen there. What is your answer?

Pashayev responded: The best answer can be found in articles published in the Syrian, Jordanian, and Saudi press. The best answer can be found in our meetings with Muslims from many countries, when we discussed Islamic issues and peace in the Persian Gulf and throughout the world. Of course our group was limited; it is not easy for pilgrims from our country to get to Mecca. We have to go to Mecca through third countries, which requires physical and spiritual strength. Therefore, we advise Muslims who express a desire to go on the Hajj pilgrimage to consider their strength and health in view of the long distance they have to travel. Unfortunately, in the past some Muslims did not heed our advice. The same situation exists today, but religious administrations now treat this issue more carefully. There is another problem as well: the high cost of travel. The pilgrim should be able to pay for the trip without depriving the pilgrim's family. This is why the number of Hajj pilgrims from our country is limited.

TV Report on Heroic Soldiers in DRA
LD290534 Moscow Television Service in Russian 1430 GMT 28 Aug 87

[M. Leshchinskiy video report from Afghanistan; from the "Vremya" newscast]

[Text] [Leshchinskiy] In the evening the servicemen of this subunit were engaged in an altogether ordinary daily job. They were getting ready to perform their next combat task. Without excess fuss and with soldierly thoroughness they were preparing their equipment, weapons, and ammunition. From precisely this moment all errors were excluded from their actions. After all, in combat each error, even the smallest, can cost one's life. Here everyone is always ready for combat. In Afghanistan none of the cartridges are blanks. At this time of utter concentration and unhurried soldiers' reflections. I made the acquaintance of Private Oleg Zinovyev. [video shows Soviet soldiers cleaning rifles, checking equipment; cuts to interview with Zinovyev; Leshchinskiy and young soldier are seated against a background of desert terrain]

Today will be your last combat sortie, so to speak, into the Afghan desert and these mountains. Soon you will be going home and back to Tashkent. What will you remember, do you think?

[Zinovyev] Well, what can one say? I shall always remember these mountains and the guys with whom I have gone out on combat sorties. Also, of course, I shall remember the guys who did not return from the fighting and whom their parents will not be seeing. Above all, this applies to my best friend Valera Aksenov. Here, I have a photograph of him. He died performing his internationalist duty. I was also invovled in the fighting and saw for myself how he died, heroically defending with his body the commander of the group. For this exploit he was awarded the title — the distinguished title — of Hero of the Soviet Union.

[Leshchinskiy] Posthumously.

[Zinovyev] Yes, posthumously.

[Leshchinskiy] Well, what is your opinion? Are there many among your comrades that would be capable of this — sacrificing themselves for the sake of another?

[Zinovyev] You know, many of them would be capable of this, because Afghanistan is a school where people eat and sleep together and also die in ambushes. Many of them would be capable of doing so.

[Leshchinskiy] Well, you will of course have this photograph and you will of course be speaking about your friend.

[Zinovyev] I certainly shall. This photograph will remain with me always. [Leshchinskiy] Yes, everything that evening was the same as always, but for the fact that he did not return after accomplishing what would seem the improbable. On legs shattered by a burst from a large-calibre machine gun he was able to leap up and use his body to shield his commander.

Soviet soldiers are marching along in Afghanistan, following their contemporary heroes, and the homeland can depend on each one of them.

TV Notes Economic Sabotage in Afghanistan

LD242052 Moscow Television Service in Russian 1430 GMT 24 Aug 87

[From the "Vremya" newscast; B. Savodyan video report from Kabul — identified by caption]

[Text] [Announcer] The Afghan counterrevolution is using more and more new forms of diversion and sabotage in an attempt to wreck the national reconciliation process.

[Savodyan] This footage was filmed by Afghan cameramen in the northern province, Samagan. The other day another 580 former dushmans went over to the side of the government there. To date about 30,000 people as a whole in Afghanistan have chosen a peaceful life. These are the real fruits of national reconciliation.

But nonetheless there is no peace as yet in Afghanistan. Alarming news arrives in Kabul from variouis regions in the country. Here one day, there another the dushmans have fired at a populated area and committed acts of terror.

These books, brochures, pamphlets, and video cassettes were brought from neighboring Pakistan in sacks along the dusty roads and mountain paths, together with weapons. There is malice and hate for the events occurring in Afghanistan and for the anti-Soviet propaganda in this material, manufactured with the assistance of Western special services. These counterfeit Afghanis are produced with the knowledge and under the guidance of Western, and primarily U.S. instructors in Pakistan. [video shows pamphlets, Agfa and Sony video tapes, bullets and lines of rifles, more pamphlets and piles of bank notes]

[H. Sediq, representative of the State Bank of Afghanistan, identified by screen caption, speaking in vernacular with translation by Savodyan] The gangs of counterrevolutionaries that are sent in from there buy up rice, wheat, and sugar at the markets in Afghanistan's border regions with forged money, in order to create an artificial shortage of foodstuffs. Counterfeit bank notes are also a weapon. It represents a great danger for the economy of democratic Afghanistan.

Student Construction Group Arrives in DRA

LD311755 Moscow Television Service in Russian 1430 GMT 31 Aug 87

[From the "Vremya" newscast; B. Savodyan video report from Kabul — identified by caption]

[Excerpt] [Announcer] The first student construction detachment "Druzhba" has arrived in Kabul.

[Savodyan] There are 20 people in the detachment. These are students from nine Soviet higher educational institutions. Many of the youngsters have served here in the limited contingent of Soviet forces, and hold combat awards. In the course of 6 weeks they will work together with Afghan workers at the Kabul housing construction combine, which was built 22 years ago with the aid of the Soviet Union. The output of this enterprise, capable of carrying out the large-panel construction of well-appointed housing taking in the seismic peculiarities of Afghanistan, is needed by thousands of Kabul's inhabitants. Reconstruction is now in full swing at the housing construction combine. One of its main facilities will be the fittings and fixtures plant that has been erected here by the fighters of the construction detachment; it will enable the capacity of the combine to be doubled. The Soviet students have decided to put the funds that are earned into the Afghanistan fund for the construction of children's institutions. [passage omitted]

East Europe

Slyunkov-Led Delegation Departs for Sofia

LD311330 Moscow TASS International Service in Russian 1225 GMT 31 Aug

[Text] Moscow, 31 Aug (TASS) — Today a CPSU Delegation headed by Nikolay Slyunkov, CPSU Central Committee Politburo member and CPSU Central Committee secretary, left Moscow for Sofia. It will take part in a conference of CEMA member countries' communist and workers' party central committee secretaries on economic issues.

The delegation is made up of Aleksey Antonov, member of the CPSU Central Committee, deputy chairman of the USSR Council of Ministers, and permanent USSR representative to CEMA; Yuriy Belik, deputy head of the CPSU Central Committee Economic Department; and Oleg Rybakov, deputy head of a CPSU Central Committee department.

Arrives in Sofia

LD311735 Moscow Domestic Service in Russian 1630 GMT 31 Aug 87

[Text] A CPSU delegation led by Comrade Slyunkov, member of the CPSU Central Committee Politburo and secretary of the CPSU Central Committee, arrived in Sofia today. the delegation will take part in an economic issues conference of secretaries of central committees of communist and workers' parties from CEMA member countries. The delegation was greeted at the capital's airport by Filipov, member of the Politburo and secretary of the BCP Central Committee, other BCP leaders, and also by senior BCP Central Committee personnel.

SED Delegation Visits Soviet Union

Mueckenberger Meets Solomentsev

LD261815 East Berlin ADN International Service in German 1647 GMT 26 Aug 87

[Text] Moscow, 26 Aug (ADN) — Erich Mueckenberger, member of the SED Central Committee Politburo and chairman of the Central Committee's Central Party

Control Commission, and Mikhail Solomentsev, member of the CPSU Central Committee Politburo and and chairman of the Central Committee's party Control Committee, emphasized the firm alliance between the SED and the CPSU in Moscow today. During an exchange of views, which is to be continued over the next few days, the politicians briefed each other on the tasks, working methods, and experiences of the two countries' party control organs.

Erich Mueckenberger arrived in Moscow today heading a delegation from the Central Party Control Commission.

Mueckenberger, Voss Meet

LD272146 East Berlin ADN International Service in German 1637 GMT 27 Aug 87

[Text] Moscow, 27 Aug (ADN) — Further cooperation between the friendship societies of the GDR and the USSR was the focus of a talk in Moscow on Thursday between Erich Mueckenberger, member of the Central Committee Politburo, chairman of the Central Party Control Commission of the SED Central Committee, and president of the GDR-Soviet Friendship Society, and Avgust Voss, chairman of the Soviet-GDR Friendship Society. The delegation led by Erich Mueckenberger also met with members of the party control commissions of the CPSU. The GDR politician explained the tasks of the party organizations and of the party control commissions of the SED in the realization of the decisions of the 11th party congress.

Final Meeting Held

LD311618 East Berlin ADN International Service in German 1318 GMT 31 Aug 87

[Text] Moscow, 31 Aug ADN — The SED Central Party Control Commission (CPCC) delegation, led by Erich Mueckenberger, member of the Politburo and chairman of the SED CPCC, today had a final meeting with Mikhail Solomentsev, member of the Politburo and chairman of the CPSU Party Control Commission, after a visit to the USSR lasting several days.

Both sides assessed their talks as an expression of the further deepening of the fraternal bond between both parties and countries as well as the traditionally good relations over the years between the SED and CPSU control organizations. During the meeting they paid tribute to the significance of the joint document of the Academy of Social Sciences of the SED Central Committee and the SPD Basic Values Commission entitled "The Battle of the Ideologies and Joint Security".

In the talks once again complete agreement on all the issues discussed was expressed.

Hungary's P. Varkonyi Ends USSR Vacation

PM311315 Moscow IZVESTIYA in Russian 22 Aug 87 Morning Edition p 4

[TASS report: "Moscow Stopover"]

[Text] On 21 August Hungarian Foreign Minister P. Varkonyi left Moscow for home having been on vacation in the USSR.

He was seen off at the airport by USSR Deputy Foreign Minister V.P. Loginov and other officials, as well as by J. Barabas, Hungarian charge d'affaires in the USSR.

USSR, SFRY Economic Managers Meet

LD311118 Moscow Domestic Service in Russian 0730 GMT 31 Aug 87

[Report by Radio Moscow correspondent Aleksandr Shakhin, from Belgrade]

[Text] A meeting of Soviet and Yugoslav economic managers, which the press has called the largest and most representative of recent years, has ended here. The Soviet delegation included not only heads of the Chamber of Trade and Industry and of departments, but also a number of directors from leading Soviet enterprises in such sectors as machine-building, electrical engineering, construction, and metallurgy.

Over 7 days meetings and business negotiations were held at large Yugoslav enterprises and associations. Summing up the results of the meeting, Belgrade newspapers note that new paths in our relations have been outlined. It is a fact that in the last 2 years there has been a reduction in the turnover of goods between the two countries. This was caused by unfavorable price fluctuations on the world market and by the incomplete fulfillment of bilateral commitments.

It has been decided to combat the imbalance in trade with combined efforts. Yugoslavia will import more goods from the USSR, while the supply of new Soviet products which will interest the Yugoslav market is expected. The idea of involving Soviet organizations in the construction in Yugoslavia of such facilities as gas pipelines, the Belgrade metro, and others has been submitted. Concrete steps in the development of new types of cooperation have been outlined, particularly joint investments and entries into third markets.

New prospects have been opened up in the establishment of direct links. Managers of Soviet enterprises have visited four of Yugoslavia's republics during these days. Here is the direct result of these meetings: direct contacts, for example, will develop between the Bryansk machine-building works and the shipyard in Split. They will be dealing with the joint production of ship engines. Business partners have been found by the Novokramatorskiy machine-building works, the Odessa heavy crane-building association, Uralmash, the Sovelektro association, and the Kiev metals science institute. By common agreement, the meeting of economic managers from the two countries was fruitful.

Latin America & Caribbean

Nicaraguan Letter to UN on Aggression

LD312006 Moscow TASS in English 1946 GMT 31 Aug 87

[Text] New York August 31 TASS — "The Government of Nicaragua demands that the United States immediately stop the aggressive war against the Nicaraguan people and fulfil the Central American States' will sealed in the accords signed in Guatemala City by the presidents of five countries of the region", says a letter sent by the Permanent Mission of Nicaragua at the United Nations to Javier Perez de Cuellar. The letter was circulated here today.

"The Central American countries, Nicaragua, in the first place, make every effort for the implementation of the accords so as to establish lasting and stable peace in the region as soon as possible", the letter points out.

"U.S. aggressive actions run counter to the peaceful aspirations of Central American countries and do not promote the establishment of a climate necessary for the realization of the agreements", the Nicaraguan mission emphasizes.

Ortega Calls for Talks With U.S.

LD010851 Moscow TASS in English 0631 GMT 1 Sep 87

["Ortega Demands End to American Interference" — TASS headline]

[Text] Managua September 1 TASS — "The United States should cease military aid to Contra bandits and allow the Central American countries to establish a firm peace in the region," President Daniel Ortega of Nicaragua has delcared.

The Nicaraguan leader was addressing on Monday a group of American congressmen who paid a brief visit to Managua.

Ortega called on the Reagan administration to honour the agreement signed at the Guatemala meeting by the presidents of five Central American countries and not to interfere in the process of talks.

"We want the United States to leave Central America in peace and allow us to handle the outstanding problems on our own," the Nicaraguan leader said.

He reaffirmed Nicaragua's determination to abide by the Guatemala accords on the condition that other countries acted likewise. At the same time, he observed, the Nicaraguan Government was prepared to sign agreements with the U.S. and Central American states on the elimination of foreign military presence in any form in the region and its transformation into a neutral zone.

The Nicaraguan president flatly rejected Washington's assertions that the Soviet Union was threatening U.S. security in Central America.

"No Soviet threat to the region exists," he said, emphasizing that the Nicaraguan Government was pursuing a policy of non-alignment and intended to develop relations with all countries, the Soviet Union included.

[Moscow TASS International Service in Russian at 0455 GMT on 1 September in a similar report adds: "The Nicaraguan leader called for talks with the United States on normalizing bilateral relations and indicated that mutual security issues could be discussed at them. President Reagan could help in implementing the Guatemala agreement, continued Ortega. He must refrain from rendering military support to the contras and call on them to take advantage of the amnesty now in effect in Nicaragua. The very day that U.S. aggression against Nicaragua ends, the government can lift the state of emergency and renew the publication of the *La Prensa opposition newspaper.*"]

Ortega said that the Nicaraguans were going to build their own democratic society and needed no American "lessons" in that field.

Ortega Praises 'Fraternal' Economic Aid

LD311103 Moscow TASS International Service in Russian 0040 GMT 31 Aug 87

[Text] Managua, 31 August, (TASS) — Nicaraguan President Daniel Ortega announced that the country's government is introducing a number of measures to step up its strict economic policy, aimed at ensuring the Sandinista popular revolution's survival.

Speaking Saturday at the closing session of a National Union of Students' Congress, he pointed out that the chief reason for Nicaragua's continuing grave economic state is the aggression by Somozist mercenaries that has been foisted on the republic's people by the United States. Under these circumstances, material resources must be conserved and channeled toward strengthening the country's defenses, production, and toward educating the broad popular masses. To this end, the republic's leadership has imposed limited quotas on fuel distribution to enterprises and has raised the retail price of liquid fuel, while maintaining the existing cost of urban transport, thereby partially covering its foreign currency expenditure on the purchase of oil and gas from abroad. Despite these measures, however, the country will still suffer a shortfall of 153,000 tonnes of petroleum products by the end of the year, Ortega said.

The Nicaraguan leader highly commended the solidarity and internationalist support of the socialist community, first and foremost of the USSR and Cuba, who under difficult economic conditions have extended to Nicaragua the hand of fraternal aid. The Soviet Union, Ortega said, regularly fulfills its pledges to supply Nicaragua with oil, and this year it has granted an additional $350 million of aid in the form of long-term credits. The Soviet people and other socialist countries, he said, are helping us stand firm in the struggle against the aggression by the United States and its hirelings.

Political & Social

Restructuring Problems, Prospects Discussed

PM281425 Moscow MOSCOW NEWS in English No. 34, 23 Aug 87 pp 8-9

["Abridged summary" of recent APN board meeting: "Our Life Cause. Soviet scientists and Specialists on Problems and Prospects of Perestroyka"]

[Text] At a recent meeting with the heads of the mass media and artistic unions Mikhail Gorbachev raised the question of how the press, TV and radio cope with the theme of perestroyka, above all, its economic and social problems. This has brought up-to-date the alliance of the press, science and everyday life.

A step towards the strengthening of such an alliance was the recent meeting of the Board of the Novosti Press Agency (APN) to discuss the results of the June 1987 CPSU Central Committee Plenary Meeting. Invited to the meeting were prominent Soviet scientists: Academician A. Aganbegyan; E. Arab-Ogly, D.Sc. (Philosophy); Ye. Ambartsumov, Cand. Sc. (Philosophy); A. Galkin, D. Sc. (History); and V. Dashichev, D. Sc. (Economics). V. Pavlov, Chairman of the USSR State Committee for Prices, also took part.

In the course of the discussion the guests voiced their opinions on a number of serious questions which could also be of interest to MN readers. Here we publish an abridged summary of the exchange of opinions that took place.

Opening the meeting, Chairman of the APN Board, V. Falin, asked the participants to give their opinions on the state and prospects of perestroyka, taking account of its real difficulties and of the rather different problems that we've got to tackle. He drew attention to the fact that the public both in our country and abroad poses many questions in connection with perestroyka, without always getting full answers.

A. Aganbegyan: I'd like to start precisely with these questions, and group together the more important ones which are usually posed both at home and abroad.

The first and main question. There have already been two attempts at restructuring - in the 50s and in the 60s. Both times nothing came out of it. Where is the guarantee that this time will be different?

Individual enterprise, market economy, closing down of non-profitable enterprises - is all this compatible with the centralized planning system, the Party's leading role and the Soviet principles of state government?

We always objected to the convergence theory. But aren't we seeing it in practice with the market and joint enterprises?

Many people would like to know whether the rouble will become convertible currency?

Will the reform of wholesale prices raise retail prices?

These, as I see it, are the more important questions - let's concentrate on them.

V. Pavlov: Strange as it may seem, everyone, with a few exceptions, reduces the price reform to the need to reconsider retail prices. But isn't it obvious that we should not be thinking about retail prices at all yet? They are the end result in the price system, and it is through this system itself that we are trying to solve the problem of intensification of the economy. Going over to the methods of effective economic management, rejecting mainly administrative-command methods, calls for a new approach to price formation, beginning with its foundation. Is it possible to build up a resource-saving economy, if what you intend to save has a negligible price? It is not. We simply do not have the right to identify the amount of raw materials which we produce with the development of the economy. The profit-and-loss-accounting system promises success only when a thing, a commodity, or a service costs as much as it costs.

Question: How, in such a case, are we to deal with subsidies?

V. Pavlov: It is taken for granted that subsidy is an evil, incompatible with socialist economy. Subsidizing was, is, and, most probably, always will be part of any economy. The question is, in what cases are subsidies to be given, and which problems should be solved with their help. Today, we use subsidies much too ineffectively.

Here is an example. Mineral fertilizer production is subsidized. However, we know that a quarter of fertilizers produced simply doesn't reach the consumer. This means that a quarter of the subsidies goes down the drain. We're subsidizing meat and milk production. But it is no secret that the output of meat procured is ten points lower in the USSR than it is in the USA, which means that we are again, in fact, subsidizing losses.

Therefore, the question is not in doing away with all types of subsidizing and raising prices, nor is it in seeking additional revenues, including at the population's expense.

We must remove the huge contradictions which have piled up. Until now, prices have been established from the point of view of the moment when the new item appeared on sale. As a result, sandra now costs in our country less than some other fish. Throughout June this year tomatoes cost more than meat. This does not fit into normal logic.

If we take profit as the true indication of work effectiveness, then this indication must be backed by real material and objective values. A gap has formed in this respect, which leads to major inconsistencies. And the inconsistencies apparent in the prices system cause the devaluation of the rouble.

In other words, the price reform is a necessary precondition for putting money turnover and finances in order, and for strengthening the rouble. In this context, I think

that making the rouble convertible can only be seen as a task for the future.

Question: Will our prices be closer to world prices after the transfer to economic methods of management?

V. Pavlov: They will, in the same measure, as our labour productivity and economic pattern approach world market indicators. But this is no goal in itself. Some people believe that we should build up our own price system on the basis of world prices. But our economy is closed - with its own pattern, level of productivity and consumption conditions. How can we take world prices on let's say, aluminium, if our bauxites and the technology used in processing them are absolutely different from those in Guinea?

Question: Are we to envisage the shaping of a common market within the CMEA?

V. Pavlov: There must first be a general agreement and desire to set up such a market. Then we must know precisely on which foundations it can be set up. In the process of market unification someone loses and someone else gains. But the general line on integration remains as before.

A. Aganbegyan: There is a definite movement towards the tendencies of the world economy. Prices are getting closer in two fields: fuel-energy resources, where our internal prices are lower by 1.5-2 times, and food prices which in our country are lower historically so to speak.

A. Galkin: Let's imagine for a minute that everything is already working. Prices are in order, the rouble is convertible and so on. It is precisely then that the gravest problems will arise, and we must prepare for them at once.

It is possible to foresee the nature of these problems by studying those which were encountered by the industrialized capitalist countries in their time, during their technological perestroyka and a deep-going scientific and technological revolution. Isn't it naive, to say the least, to think that all problems will be solved of their own accord if the economy functions effectively, if real self-financing is organized and if the rouble becomes normal currency.

Some of our economists feel apprehensive about such forcasts. They think that all this is said with the sole purpose of hindering perestroyka. But that's not serious. What can hinder perestroyka is the ignoring of social problems.

Let's assume that the new economic management secures the highest efficiency. It is perfectly obvious that securing production in the same volumes and with the same quality at a smaller number of enterprises with less labour expenditure will change the image of the old industrial areas. There will be major changes in the population's professional composition, and some people will even move to other areas. We would have to reorientate entire subsectors and, though we should not be scared of this, we must bear it in mind. Of course, we don't wish to have unemployment and must do everything to avoid it.

This means that we must think ahead and calculate how and where to move the specialists, with their new freedom of scope, and how to compile long-term plans for the possible change of output from some types of goods to others, in keeping with the new scope of activity, we should work out a system for retraining tens of millions of people. Obviously, we'll have to set up special funds, to secure the financing of the transition measures.

A. Aganbagyan: In many areas, I don't know what we're waiting for. Approximately a million people want to buy apartments with their own money, but we don't give them the opportunity to do this. In our country, it is easier to receive an apartment from the state than to buy one. What we need are major changes in the population's pattern of expenditure. Without that we won't have real material interest.

Ye. Ambartsumov: I agree with those who say that social problems should not be pushed into the background. Let me cite the experience of a neighbouring socialist country. When wages and prices were reformed there, public opinion polls showed that about every third person would have preferred to keep the old system. Stereotype behaviour sets in around the time of stagnation. Not everybody is eager to work well, even for a high wage. These socio-psychological stereotypes must be explained, revealed and overcome.

I'd like to say a few words in this connection (and not only in this one) about what was called at the January and June Plenary Meetings of the Central Committee the "braking mechanism". It hasn't been studied as it should have been. Though we have an adequately efficient and internally stable mechanism with an extreme capacity for resistance, up to this day, we must find out how and why we have arrived at the state we are trying to get out of today, with much difficulty as yet. As I see it, it is necessary to show frankly that the economy of the command-mobilization type , which achieves modernization and development no matter what happens, practically ignores the question of price - both in the broad and the narrow sense - in violation of the principles expressed in Lenin's last works.

E. Arab-Ogly: First of all, we should put an end to the philistine, primitive concept that socialism is capitalism the other way round. We've been battling against convergence, for 20 years, and we've been saying that capitalism and socialism are opposing systems. Yes, they are opposing above all, regarding the type of property. That's why capitalism is an antagonistic society and socialism a non-antagonistic society. But their systems are historically consistent, dialectically connected one with the other, and cannot be absolutely opposite in everything.

Question: But didn't the great dialecticians - Marx and Lenin - declare that there are no absolute boundaries either in nature or in society, that they're mobile and fluid and that opposites intermix?

E. Arab-Ogly: They did. But the tragedy of the philistines is that they find the lessons of dialectics difficult. They are afraid of them. This lack of understanding and this fear led to such absurd conclusions as, for example, if profit exists under capitalism, then it should not do so under socialism. And if under socialism someone demands people to be enterprising, then this smells of capitalism - this is private enterprise.

Socialism is superior to capitalism not in that it is indifferent to the rouble, that money under socialism means nothing. This is absurd. Socialism is superior to capitalism in that the profit made under such a system is used for the benefit of the working man and not of the exploiter. Socialism opens up vistas broader than capitalism for the enterprise and initiative of whole masses - of working people - and precisely for them. That is how it is. Our reform is directed at this and not at treating our maladies with the aid of some sort of "capitalist medicine."

Our reform doesn't set itself the task of going back to the NEP period as is sometimes stated. Such a return would be a step backwards. But, in the new conditions, some NEP principles, of course, mean a move forward. Using natural forms of exchanging, egalitarianism and other such things are not just one step backwards, they take us back to pre-Marxian, petit-bourgeois concepts of socialism.

I'd like to emphasize that we should think more boldly. We are frightened all the time, and we are ever frightening ourselves. You see - commodity-money relations will grow, the market mechanisms will start operating and - there you are - social differentiation will increase. Would that not inflict ideological damage on us? Of course, it would. But on whom exactly? On the philistine, on primitive and archaic concepts of socialism. But scientific Marxist concepts will not be in danger.

We should not accept the grudges of those who "design" socialism on the basis of their own primitive and philistine scope and who then start criticizing it. We also criticize "socialism" of such a type. We're criticizing, for example, the concept that everybody must become dependent on the state. We have had enough bitter experiences to know where such concepts led, and are now putting the question so that all the work collectives, all people become concerned about their own well-being, about the successes of their own enterprise, their region and their republic.

However, the press is still talking all the time about the fact that meat costs too much at the market and too much at the cooperative shop, whilst being cheap in the state shops. Yes, it is cheap, but go and try to buy it! And it is not socialism or the state that are to blame for this, but administrators and economic managers. When trade is organized well the problem is not so serious, but where it is poorly organized (in Volgograd, for example), this is exactly where initiative and an enterprising approach should be applied. In general, the question as to who is to blame personally is very important.

A. Galkin: To end the talk on convergence, I'd like to voice the following opinion. We shouldn't be justifying ourselves all the time and reiterating that our new course is not a concession to capitalism. We should pose the question differently. What kind of socialism do we need? The one which we saw at the time of stagnation, or the one that corresponds to the realities of the end of the 20th century, a modern socialism, entering a new orbit of its development?

Socialism, today, means a dynamic economy, social justice, rational organization of society and the turning of simple human values into universally-recognized values.

Question: To what extent shall we return, in the course of perestroyka, to the ideas which we carried forth in the Revolution 70 years ago? Take, for instance, the democratization at the end of 1917 - beginning of 1918. Everybody was elected at that time - directors, professors and military commanders. The process was stopped by the Civil War. Later on, there was a return to it - in 1921, but after Lenin's death democratization little by little fell into disfavour. Isn't that so?

A. Galkin: Yes. Due to a whole number of historical reasons, we let go of some of our initial standpoints.

Question: What did we gain from this?

A. Galkin: We retained political power, true, with tremendous losses, built up an industrialized power and defended our independence. Of course, this road of development was not inevitable. The problem of choice was always present at different turning points. But, due to the practical correlation of forces, the choice was made quite definite. That's why, entering the new orbit of development, we are going back to the initial values of the Revolution.

Ye. Ambartsumov: Last autumn I attended a symposium in Florence devoted to the 30th anniversary of the 20th Congress of the CPSU. Sovietologists of different trends - Conservatives, Socialists and Communists - got together there, including Adam Ulam, more conservative than the average. But after listening to talks about perestroyka, about our new approaches, he said that the question facing the USSR today was not "who is to blame"? but "what is to be done?" To declare today that Stalin was to blame for everything would be much too great a simplification, though we must admit that in our theory we do continue to underrate the role of personality.

Among the problems under the rubric "what is to be done?" I'd like to single out specially the problem of bureaucracy, or, putting it on a broader scale - the

problem of social hindrances to perestroyka. It is impossible to get rid of bureaucracy at one go, and it cannot be destroyed by "red-hot irons".

Our prerevolutionary concepts that the new society would function without a special administrative apparatus, that governing people would be replaced by governing things, were not confirmed. Our own experience has shown that governing people is much more complex that it was thought in theory and that we need an apparatus for this. The question is that the interests of this apparatus must now be put above the interests of society.

Here we encounter the personnel problem, the problem of our managers. We do, of course, have people like Kabaidze and Moskalenko, but a great number of our managers don't know what they should do in the new conditions, and they are ready to reject the rights and independence which they had acquired.

We can say the same about our teachers. We shall be allocating, as we always have done, great sums for raising the living standards of teachers, but we shan't get an adequate payback for that in the near future. There isn't the linear dependence in pedagogics that the more you pay the better the quality of work. Spiritual incentives are very important for a teacher but precisely these have been dying out. A whole generation will be needed to build up a better social infrastructure. We've already been persuaded that perestroyka proved to be much more complex than it seemed at the beginning. It is a job for an entire generation, and maybe not only one. But we need guaranteed democracy and guaranteed glasnost so that everything will go in the right direction.

The present discussions and this dialogue, which the Party started after the April 1985 CPSU Central Committee Plenary Meeting, showed that our society is a live, an open society with a tremendous intellectual and spiritual capability.

V. Dashichev: I'd like to say a few words about how our perestroyka looks "from there." Lately I had the opportunity to "probe" the opinions on perestroyka in the most diverse quarters in West Germany — amongst workers, the highest ranking diplomats and even among a few Bundeswehr officers. I must say that in the last 1.5 years the view of the USSR has changed very much and there is tremendous interest displayed in processes going on in our country.

You hear quite often the idea that we shouldn't lay ourselves bare before the West and show our "sores" and the shortcomings of our progress. I've seen for myself that it is precisely this openness that helps the growth of our prestige. The smallest falsehood or attempt made to keep silent about errors of shortcomings, does not carry any weight at all. I repeat, one of the reasons for the growth in our popularity is in that we have started to speak the truth about our affairs and to discuss the most acute questions. [Dashichev ends]

Summing up the results of the discussion, V. Falin noted the usefulness of the exchange of opinions among journalists, and among specialists who know the processes going on in our society, not from hearsay, but from the inside. Obviously, none of the participants in the discussion expected to hear the answers to all the questions, or to get a complete range of medicine for treating all the sores. This will also be impossible tomorrow and the day after, even if only because life will be posing new questions and throwing light on ever new aspects of our development. In the long run, only life can say who was more and who was less right today, and who was totally wrong. But even those who are totally wrong will help us grasp, recognize and understand ourselves. And that's the main thing. One other aspect should be emphasized in connection with the ideological losses which we have, unfortunately, suffered on our 70-year-long road. If we do not clear of slander the good name of Leninism, with which we entered socialism, then neither will we restore the good name of socialism.

Voronin: Reforming Material, Technical Supply

LD261812 Moscow TASS in English 1747 GMT 26 Aug 87

[Text] Moscow August 26 TASS — There is only one road toward accomplishing the main task of material and technical supply, that is, providing each Soviet enterprise with all resources it needs. And it is wholesale trade, said Lev Voronin, deputy chairman of the U.S.S.R. Council of Ministers, chairman of the State Committee for Material and Technical Supply.

Speaking in an interview to the newspaper IZVESTIYA, he disclosed that as early as next year the amount of products to be distributed through the wholesale trade system would increase 3.5 times against the current amount and reach 35 billion roubles in value.

It is planned to develop wholesale trade along several guidelines. First, the expansion of the list of products for sale to all users irrespective of the fact to which department or ministry they belong. In 1988 the value of such products will reach some 15 billion roubles, Lev Voronin went on to say.

Construction ministries in Belorussia, Latvia, Lithuania, Moldavia, Tajikistan and agencies of the system of the Ministry for Construction in southern regions of the U.S.S.R. (those located in the north Caucasian region) will switch to wholesale trade in all basic materials. And finally, all enterprises and agencies operating in Estonia will also switch to wholesale trade, said the chairman of the U.S.S.R. State Committee for Material and Technical Supply.

Under the wholesale trade arrangement relations between users and material and technical supply agencies will be shaped by agreements. Each agency will be materially responsible for upsetting [as received] an agreed schedule of delivery of goods or failure to render services envisioned by an order. Other types of material sanctions will also be introduced, Lev Voronin went on to say.

Answering the question about reserves accumulated by individual enterprises over and above prescribed norms, Lev Voronin said that changes for the better could be observed in that sphere. A normative indicator of the biggest permissible amount of material and goods reserves was introduced. The enterprises were allowed to exchange surplus resources freely. The responsibility of work collectives for and their interest in fulfilling contractual obligations was enhanced. As a result, for the first time in the past 10 years the pace of production growth surpassed that of the growth of material and goods reserves. Last year, for example, the reserves grew by 1.4 per cent, while social production increased by 4.1 per cent.

The economic mechanism introduced throughout the country, Lev Voronin said, envisions the use of efficient economic levers stimulating a rational utilization of resources. One of the most important of them is liability for the failure to comply with the indicator setting the biggest permissible amount of reserves.

Local Party Attitudes to Reforms Viewed

PM271428 Moscow PRAVDA in Russian
27 Aug 87 Second Edition p 1

[Editorial: "The Party Committee Worker: The Main Criterion for Assessing Him Is the Attitude Toward Restructuring"]

[Text] Today it is possible to say firmly that the restructuring has stirred the whole country and captivated millions of people with its ideas and hopes. Not for nothing do we name party workers as the pioneers of many initiatives, the commissars and guides of the restructuring.

"Party leadership is above all exactingness toward oneself." This profoundly personal and very modern conclusion by A. Ilin, first secretary of Neftegorskiy Raykom in Kuybyshev Oblast, goes back, if you think about it, to Lenin's remarkable idea on the need to implement party policy not by force of authority, but "by force of prestige, by force of energy, greater experience, greater diversity, greater talent."

Energy. Experience. Diversity. Talent. These are the true sources of increased authority, these are the reliable components of success for the raykom headed by Aleksey Mikhaylovich. A teacher and lawyer by education, he grew and developed as a party worker here. There was a time when he exercised tutelage over economic leaders and took their place, when he took too much on his own shoulders. But Ilin saw clearly the weaknesses of arbitrary leadership, and was not afraid to change himself. This helps to create in the raykom apparatus an atmosphere of harmonious work, a shared quest, and the extremely open and frank exchange of opinions.

Begin with yourself! Many party committees have taken this CPSU Central Committee instruction seriously and are making fundamental amendments to the content of their own work. There are fewer office sessions, and there is a more practical and businesslike approach in the conduct of bureau sessions, plenums, and aktiv meetings. Thus the apparatus of Shchekino Gorkom in Tula Oblast now allots 70 percent of its time to direct work in the primary party organizations. Last year the Krasnodar CPSU Kraykom Bureau reduced by one-third the number of resolutions adopted, and by nearly one-half the volume of documents sent to the gorkoms and raykoms. Here they have renounced the widespread practice of adopting joint resolutions with soviet organs. In Moscow's Lyublinskiy Raykom public opinion is carefully considered in nominating candidates for leading party or economic posts. The dismissal of a particular worker also depends on the opinion of the collective and the party organization, as does the cadre reserve. The "direct telephone" link has become a widespread party practice, whereby at certain hours everyone has the opportunity to obtain an answer to a question which interests him directly from the committee secretaries.

However, one cannot fail to see that in a number of places the new shoots are still having difficulty in making their way through. This happens for various reasons. In some committees, for instance, there are a good many people whose habits have become fixed on the basis of experience from 20 years ago. These people, using the old ties and methods which are unacceptable today, retard the restructuring and do not allow it to break through to the places where its future is being decided — the labor collectives. Sometimes they "ration" democracy locally, smoothing away the corners and turns mapped out by the party. It is necessary resolutely to rid ourselves of such people, and to do so openly and with glasnost. Thus K. Akylbekov, first secretary of Taldy-Kurgan Gorkom, was relieved of his duties after showing rudeness, a bureaucratic approach, immodesty, and bias.

The new tasks demand a radical breakthrough in the thinking of party workers. But at times things go too slowly. A part is played, in particular, by the "cautiousness syndrome" and the rust of such small-minded concepts as "initiative is punishable" and "I'm all right, Jack." There is a particularly great role to be played in eliminating this philosophy by the committee first secretary, his personal example, his attitude toward comrades in the apparatus, and his approach to resolving the problems that arise. After all, look what still happens in life! The figure of the first secretary shields the others, so to speak. This is precisely the rule — "know your place! — by which relationships between secretaries and department chiefs and instructors are built in some places. A leveling down of workers takes place, they lose their weighty say, their prestige among the aktiv. Kaluga CPSU Obkom is acting correctly by radically changing this situation, requiring every leader painstakingly to train his closest assistants, so that whenever the need arises they can take his place and work no less energetically.

In the last 2 years the apparatus has been renewed to a significant degree in the party committees. By more than

60 percent, for instance, in some Moscow raykoms. The arrival of new workers has posed the urgent question of their training. Difficulties arise for instructors in their relationship with economic leaders. This is due to the fact that certain party worker cadres have proved less competent in the economy and in management. There is only one solution to this: Study. In many party organs, apparatus conferences are becoming a good school. In Yaroslavl Oblast they systematically hold exchanges of experience between party committees, and the meetings of apparatus communists held here are interesting.

But it is well known that even if you put 100 teachers above a person, they will be impotent, unless he works on himself. In view of the present-day situation increasing significance is attached to the implementation of the 27th CPSU Congress demands for every communist, especially every communist leader, to master Marxist-Leninist dialectics and gain a thorough understanding of the laws of social development. The role of economic knowledge is growing. The leader's range of interests should also include problems of national relations, ethics and pedagogics, psychology, literature, and art.

The times dictate the highest demands on party workers and all the elected aktiv. After all, the restructuring is people. Despite the great changes in the cadre area, there are still many questions here, some of them tricky. This is indicated by letters to the newspapers, including *Pravda*. They tell how certain degenerates, reveling in power and abusing the people's trust, sully the party's prestige. V. Moldovanov from Bakhchisaray, for instance, indignantly mentions how large sums of money were spent over a number of years in the rayon and resources were diverted into the construction of luxurious little "woodman's," "hunter's," and "beekeeper's" cottages in secluded, picturesque places. The renewed committees must with the utmost determination discard all the accumulated garbage and erect a reliable barrier against arbitrariness and bureaucracy, official arrogance, and reciprocal favors.

It is the paramount duty of party committees to have a total mastery of the art of selecting and placing cadres, organization, and the monitoring of execution. Lenin's rule must be the basis: "Study people, seek out skillful workers..." The main criterion for assessing them is the attitude toward the restructuring, and not in words, but in deeds. The higher the post, the greater the demands. Are there positive developments in practice? How do people live? What is their mood, their feeling? Where is the atmosphere of democracy? The party committee worker is responsible for much. He needs courage, honesty, and self-criticism, so as to look at himself as a mirror of the new times and rid himself of yesterday's "barnacles."

The party calls on the communists to take the main burden of leadership of the restructuring on their shoulders. This was spoken of with new force at the CPSU Central Committee June (1987) Plenum. Intensive practical work is the key to the implementation of the party's designs.

CPSU CC Journal Acknowledges Trotskiy Role

LD011154 Belgrade TANJUG Domestic Service in Serbo-Croatian 1002 GMT Sep 87

["Trotskiy Was One of the Leaders of the October Revolution" — TANJUG headline]

[Text] Moscow, 1 Sep (TANJUG) — Lev Trotskiy is cited in a Soviet party journal as one of the leaders of the October Revolution. Journals and textbooks here have ignored this historical fact for decades.

Politicheskoye Samoobrazovaniye, the journal of the CPSU Central Committee, in a piece entitled "The General Staff of the Great October" — a chronicle of the events of August to October 1917 — mentions Trotskiy in several places, citing the names of members of the innermost circles of the Bolshevik Party leadership.

The name of Trotskiy, along with the names of Bukharin, Zinoviev, and Kamenev, about whom for years there has likewise been no mention except as exponents of the antiparty line, are mentioned as Central Committee members, together with Lenin, Dzerzhinski, [name indistinct], Stalin, and others. Trotskiy is also mentioned among members of the Central Committee Politburo (Lenin, Bubnov, Zinoviev, Kamenev, Sokolnikov, Stalin, Trotskiy).

Four Lithuanians Protest to Gorbachev

AU301504 Paris AFP in English 1438 GMT 30 Aug 87

[Text] Moscow, Aug 30 (AFP) — Four Lithuanian nationalists Sunday protested to Soviet leader Mikhail Gorbachev against "the repression exercized by the KGB" against people taking part in a demonstration in the Lithuanian capital of Vilnius last week, Soviet dissident Valery Senderov said.

The four, named as Mr. Terleskas, Mr. Bogunis, Mr. Sidizkas and Mrs. Niole Sadunait, made the protest in a telegram to the Soviet leader, Mr. Senderov said.

Demonstrations were held in the capitals of Lithuania, Latvia and Estonia on August 23 to mark the 48th anniversary of the Nazi-Soviet pact that paved the way for the annexation of the three Baltic states by the Soviet Union.

In the telegram, Mrs. Sadunait said she was "abducted" and "detained for about 30 hours" after the demonstration.

Mr. Senderov also said two demonstrators, Father Rokas Usonas and Robertas Grigas, were "beaten up" by unknown assailants.

According to Western sources, some 500 people took part in the demonstration in Vilnius.

The Soviet news agency TASS however reported the presence of "between 250 and 300 passers-by" and of "a group of miserable aggressive extremists" which numbered about 30 persons.

Swedish Daily Reports Baltic Protests

PM311321 Stockholm DAGENS NYHETER in Swedish 24 Aug 87 p 10

[Thomas Sjoberg report: "Baltic Protests"]

[Text] Three simultaneous protests in the capitals of Estonia, Latvia, and Lithuania against the 48-year-old Molotov-Ribbentrop pact put Soviet leader Mikhail Gorbachev's openness campaign to the test yesterday.

Both the KGB and the Baltic demonstrators were well prepared, although their preparations were diametrically opposed. The organizers of the protest action — the Helsinki Group for Human Rights — knew that there are limits to what "glasnost" can tolerate.

While it is true that a demonstration honoring the memory of the victims of the Baltic states' incorporation into the Soviet Union passed off without incident in Riga 14 June, yesterday's direct protest against the Molotov-Ribbentrop pact (which was signed 23 August 1939) and the demand that the pact be declared null and void could not pass without problems.

The Baltic exile organizations have only received sporadic reports about exacty what happened in Riga, Tallinn, and Vilnius.

There were several telephone calls from Riga during yesterday. One woman reported that the KGB had arrested a man who had been carrying a small placard. Later that afternoon yet another demonstrator was arrested.

The police did not permit demonstrators to gather in groups, but let them forward one by one to lay flowers at the Freedom Monument, which dates from the thirties. Police photographed everyone who laid flowers.

The demonstrators had been warned in advance of provocations by the police. Since openness is now supposed to characterize life in the Soviet Union, power has to be exercised in other, less striking ways than in the past.

Reports said that Bastejkalns Park in central Riga had been vandalized in advance by militia men so that this could later be blamed on the demonstrators and give the police a fully "legal" reason for arresting them. Road works suddenly started causing traffic to be rerouted round the Freedom Monument.

New laws on demonstrations say that permission must be sought at least 10 days before the demonstrations are intended to take place. The new regulations came into force at the end of the week.

"Conscious delaying tactics so that we would not have time to seek permission," is the view of the demonstration's organizers.

Two of the Helsinki group's leading figures, Janis Barkans and Raimonds Bitenieks, were placed more or less under house arrest and kept under surveillance by the KGB. But according to the reports the call for a demonstration nevertheless brought 6,000 Latvian demonstrators together.

"People are applauding the whole time, the Russians are swearing. A chain of militiamen is standing around the Freedom Monument and members of the Helsinki group are being imprisoned if they show their faces there," a woman from Riga reported.

"The demonstrations are a test of Gorbachev's openness campaign — is it real or just a facade directed toward the West?" asked former Latvian political prisoner, 21-year-old Rolands Silaraups, who was expelled by the Soviet authorities after he organized the 14 June demonstration.

The Soviet mass media have also begun a massive campaign to justify Stalin's pact with Hitler. Historians and war veterans have been allowed to point out the advantages of incorporating the Baltic states into Soviet Union. The demonstrations, *Pravda* wrote, have been whipped up by U.S. senators on a visit to the Baltic states.

'Top Priority' Discusses Nationalities

LD292101 Moscow in English to North America 1610 GMT 29 Aug 87

[Text] [Pozner] How do you do, ladies and gentlemen. This is Vladimir Pozner introducing "Top Priority." With me on the panel as usual Drs Radomir Bogdanov and Sergey Plekhanov of the USA and Canada Studies Institute in Moscow. As a rule, more often than not, we talk about international issues. And it's been quite a while since we have touched on things happening inside the Soviet Union, which, in my opinion, are of no less importance and certainly not less interesting than what's happening in other countries.

One extremely interesting question that's been debated by a great many people is the emergence over the past perhaps year-and-a-half or so in connection with glasnost, in connection with perestroyka, of certain, shall we say, unofficial or nonofficial groups, including one called Pamyat, translated into English as Memory, which tend to reflect a certain reactionary outlook, somewhat chauvinistic, somewhat anti-Semitic, depending on the group you're looking at. What is this all about? How do you interpret these things which seem to be under the surface or nonexistent, even prior to the changes that have been occurring in the Soviet Union? How should these be evaluated, because a lot is being written about this in the West; we've done a lot in our own country where the issue was touched upon. What are your opinions?

[Bogdanov] Vladimir, I have a bit difficulty with your question. What do you mean, what is all about? I, I would prefer to divide that problem into two. You mean what is all about the emergence of Memory, or you mean what is all about what Memory is doing?

[Pozner] I'd like to have us talk about.....

[Bogdanov, interrupting] To talk about two different questions. What do you mean?

[Pozner] Well, I think it would be interesting for our listeners to touch on both.

[Bogdanov] On both?

[Pozner] Yes.

[Bogdanov] Let me then comment a little bit on the first, then on the second. First of all, we are a normal society. We are functioning like any other society, and we are becoming more and more, if you like, normal. Let me put it that way. I mean by normal that you have, you have a common goal in this society: the building of socialism. A socialism more efficient, more productive, more, and the slogan of the day is more socialism. That is our common goal. But at the same time, we recognize, and it's a fact of life, that within that framework of a common goal you have some, you have different group of interests, let me put it that way. And it's very normal, and I should admit that before we didn't recognize very much that fact that we have different group of interests. And life itself brought that into light, yes, we have. So if you look at the emergence of those different groups from that point of view, that you have different groups, every thing is fixed in its own place, let me put it that way.

So, I believe that Pamyat, like any other group, it's, it's a reflection of that fact that you have different interests within one homogeneous society. That's number one. Number two: Let me define a little bit that society, I wouldn't like to be Devil's advocate, but in any case my, I would object to you Vladimir, maybe I'm wrong, but I had the feeling that you're trying to, to depict Memory as one body which has one mind, one way of thinking. I would object to that. To my opinion, so far as I know, Memory is a very complex, very complex body. I mean by that that they have within that body they have different, very different people. And let me say that you have a different, you have a number of well wishing people within that society and they have nothing to do with the excesses you were talking about, they are very honest people trying to do what? Just to protect historical monuments. But that's more deeper than that because by protecting historical monuments, you are protecting your own history. You are bringing your glorious, sometimes not glorious history into the light. But at the same time you have, and that's my feeling, maybe I'm wrong, you have an upper strata of that society which is not very much in tune with the majority. They are trying their petty politicians, I put it that way, petty politicians with their petty interests, trying to use that honorable, if you like, movement for their own ends, bringing into that petty politics all those things that you have just mentioned. What do you think Sergey, do you agree with me?

[Plekhanov] Yeah, there are certainly differences between what the leaders have in mind, the leaders of the Memory society, and what the rank and file, or part of the rank and file think about the aims of society. That is a fact, but you can also say the same thing about any political movement because there are always differences between the...

[Bogdanov] I'm sorry, Sergey. Do you mean to say that they are political movement?

[Plekhanov] Well yes, that's an overstatement. They, they are...

[Pozner, interrupting] Not necessarily, I'd simply like to, I'd like to remind you that during this television show that was on the air a couple of weeks ago, in fact less than that, the host said that at least the leadership of Pamyat was nothing less than political opposition. That was his qualification that, we don't have to agree with it but at least that has been said.

[Plekhanov] Well they certainly, they certainly are trying to develop a program which would go far beyond just the preservation of historical landmarks, (?districts) of interest, encouraging interest in Russian history, Soviet history, mostly Russian history. They are Russian nationalists first and foremost, they are limited to the, to the people of Russian origin, and they are trying to build themselves up as the defenders of the Russian history.

[Pozner] Defenders from what? Defenders from whom? Who is threatening?

[Bogdanov] And Sergey, I always had a difficulty with the definition of Russian nationalist. What does it, maybe let's dwell a little bit on that. What does it mean? Do you know what that means?

[Plekhanov] Well a Russian nationalist must be the same thing as a French nationalist, or a German nationalist vis-a-vis his own particular nationality. I understand nationalism as a, well, as the assertion of one's national identity above all other nations.

[Pozner] That's chauvinism really. What you're talking about is chauvinism. Nationalism is not necessarily chauvinism. I mean pride in your own, at least in my opinion, pride in your being Russian or Georgian or French or American is I think a very healthy thing.

[Plekhanov] Yes, but that's not the question. The pride in being what you are does not mean, and in fact contradicts the idea of despising someone else for not being what you are.

[Plekhanov] Well, but that's not nationalism, if you're simply proud of being a Russian or an American or a Frenchman. That's not nationalism, that's simply the normal national pride, if you will. But the normal patriotism, because the patriotism in a good sense requires that you ahve a critical sense toward your own, if you really care about your nation you're critical toward it because you see the drawbacks, you see the deficiencies, you want to correct them. And secondly, patriotism does not mean that you must denigrate other nations or other ethnic groups.

[Pozner] I don't think you can be truly patriotic if you don't respect other nations.

[Plekhanov] Absolutely, absolutely. You can, a true patriot, or a true lover of one's motherland, also must love the whole humanity.

[Pozner] All right. Let's get back, let's get back to this issue. We are a multi-national land of over 100 ethnic minorities and ethnic groups and what have you. And for a great many years it was said that we had no problems of any sort with the nationalities issue and with ethnic minorities, that everything had been solved. Now this does not apply only to that particular problem. In general the view was, prior to restructuring and prior to glasnost, that basically we'd solved all our problems. Do you not think that the appearance of this type of group, just as one example, would tend to contradict that view and to say that no, there are still many problems, and that we will still have to deal with them in the future, and that overcoming the whole issue of nationalist, the nationalism complex, is an extremely long and difficult process?

[Bogdanov] I tend to agree with your point that we'll have a lot of problems to solve and that national problem belongs to the most difficult problems of all humanity, and ours is a multi-national society. You have 16 national republics and you have hundreds, mind you Vladimir, hundreds of nations beginning from a million people ending by 600-800 people, but they are real...

[Pozner interrupting] You're talking about tiny, tiny...

[Bogdanov interrupting] Tiny, tiny, but they are different, sure people with different language, different history and everything. And of course I'm very happy by the way that we came back to the earth and looked at the ethnic or national, you know, situation within our society with open eyes. Otherwise we were doomed to very serious troubles. And now when we recognize that we have a number of problems and if you recognize something it means that you bring something to action. And you will have to deal with that, so you defuse the charge, you know, and you create the conditions for smoother development of your society.

But I still believe that they would like to come back and that's my question to you my dear colleagues, which is very important to my mind. I still believe that it's very natural political process that you come to recognize very hot problems and first of all it signals to ourselves, to the citizens of this country, that the healthy period begins, that you really look, look at your society with not with the rosy glasses but with open eyes. My question to you is, you, what do you think? That's my question to myself. If you recognize the existence of this kind of thing, how to deal with them?

You have traditionally if you like two ways. You'll have to deal with them, or you can deal with them with force, with authority or with might of the state, that's one way. And you have another way, I mean to deal with that in the political way, instead of crushing something just to have a political fight if you, if you, what do you think? Which way is...

[Pozner — interrupting] Dr Plekhanov?

[Plekhanov — interrupting] Well, of course, of course, having a discussion with them, a debate with them, having a political fight with them would be the only correct way because, you see, a lot of those people who support the ideas of such groups are actually victims of the period of stalemate which we had for 20 years in this country, of a period when a lot of truth was not being told, when people lived on myths, both good myths and bad myths, and there was a lot of resentment pent up in the people's psyche which is looking for outlets. And if you have a bunch of people who are ready to offer other myths, or to vent the mood of discontent into some demagogic channels, like anti-Semitism for instance, you know, it's, I mean, it's been happening all over the world. I mean, there were periods in every country when...

[Pozner — interrupting] For many centuries. Yes, when you know, just blame the Jews because they are responsible for all the bad things.

[Bogdanov] In Russia there was another, you know, there was another slogan: Blame the Jews and the students. [laughs]

[Plekhanov] And the students, yes well...

[Bogdanov — interrupting] [words indistinct] Right, well the same was happening in America under Nixon when President Agnew, Vice President Agnew was blaming the students, not so much the Jews but the, privately they were blaming the Jews too. So of course, you bring these issues in the open, you tell people about the goals, about the mind-set of those people, you argue with them, you prove to them in front of the big audiences that they are demagogues. Let them state their case in the open because they, by the way, the leader of that group, they constantly try to picture themselves as persecuted people. You know, they say that, well you know [words indistinct] our against something, some strong powerful forces which will certainly bring them down and so on. They thrive on that stuff.

[Pozner] Let me ask the following: On the one hand, I think we would all agree that in Russia proper, which is only one of the 15 republics, the largest by far but still it's just one, in the past a great many cultural, historical monuments were indeed destroyed, and due to different reasons, not enough money was put into restoration, preservation of the national heritage, and certainly this was felt by many people here who love their land, their native land, and there's something natural about trying to come together to do something about it. That's on the one hand. On the other hand, the processes that have been happening in our country especially in the past 2 years or so, are extremely complex and difficult to cope with for a lot of people, psychologically difficult. And it

is a fact, don't you think, that when people are under stress, when people find it difficult to understand what is happening, when people are frustrated, when they hear that things are not good although they've been used to hearing that they're good, when they hear a constant stream of criticism about their society and how they've lived and that they are basically to blame, they are somehow easier targets for those who'd like to channel that frustration into a certain area, be it anti-Jewish or anti-Martian or whatever.

[Plekhanov] Anti-democracy.

[Pozner] Whatever it is. So don't you think that this Pamyat in particular is a combination of these elements. Would you not agree?

[Bogdanov] I would quite agree with your analysis, Vladimir. I believe it's very deep down to the roots of the problem analysis. And if we keep that in mind, what you have said just now, you'll get a rational and very adequate explanation of many processes are taking place, which are taking place now in our country. What do you think, Sergey?

[Plekhanov] Among the people in the ranks of the Memory Society there are, most of them support the ideas of restructuring.

[Pozner] There's no doubt about it.

[Plekhanov] But the point is that there must be change, but they understand change in a very backward and contorted way and, since they are clamouring for change, I think that they are malleable. I think that they, of course they should be talked to, there should be open debates with them.

[Pozner] Yes, well thank you very much. As we wind up our program I think we all agree on one fundamental issue and that is that this boil should be lanced, it should come out into the open, it should be an issue of discussion, as it has been in the media, it is not a question of banning or barring.

[Bogdanov] Not at all, not at all.

[Pozner] It is a question of open discussion, but bringing it all out for everyone to look at and to make their own decision, through democratic process solve what are very complex problems.

Economic

Bank Chief Explains Use of Checkbooks

PM311905 Moscow PRAVDA in Russian 28 Aug 87 Second Edition p 3

[G. Yakovlev article: "Check Instead of Money" under the rubric "Fact and Commentary"]

[Text] I am examining some sample checkbooks which any citizen of the RSFSR will be able to obtain as of 1 December 1987. The owner of a checkbook has the right to pay [by check] for the purchase of any manufactured goods or consumer services that he has received. There is no lower or upper price limit. However, a sensible person is hardly likely to start writing out a check to pay, for instance, for a pack of cigarettes or for a visit to a hairdresser. Yet in principle it is possible to do so.

In general a purchaser will not have to take out a wad of banknotes and count them out several times when he acquires some particular item, nor will he have to wait for the cashier to count them just as carefully. There is no need for that... In a word, the new form of payment promises so many benefits that it needs no advertising campaign.

This is for the initiated, A. Burkov, board chairman of the recently-set-up USSR Bank of Labor Savings and Public Credit, says in clarification. But let me straightaway answer the questions of *Pravda* readers.

For a start let us not confuse a checkbook with a savings book — the latter will remain in their current form. Existing bank drafts and letters of credit will not be abolished either. Only a depositor will be able to obtain a checkbook on application to a state workers' savings office (these will become departments of the bank). In other words, the depsitor will, as it were, transfer part of his savings to this checkbook. Moreover, the sum is limited only by what he has deposited. Twenty tear-out checks will make it possible in the course of a period of 2 years (the checkbook is issued for that term with the right to extend its validity for a further term of the same duration) to pay for any type of manufactured goods and consumer services. There is just one small inconvenience which we have so far not been able to obviate — when paying by check you fill in the information from your passport which is then verified by the salesperson. This is done in the interests of the checkbook holder so that no one may make use of someone else's checkbook.

A purchaser will be able to to expedite the actual process of acquiring an article and will begin to take a more thrifty attitude toward his savings. It is not for nothing that the popular saying has it: Money burns a hole in one's pocket. In other words one wants to get rid of one's money as quickly as possible. Experts have no doubt that a checkbook will help one to expend the family budget more sensibly.

Incidentally, one should also mention the following... There is a long-standing practice of enterprises' and organizations' transfering wages to the current accounts of depositors. An apparently convenient way of doing things. There is no need to stand at the plant cashier's window and count through your wages. In a sense the savings book is a financial controller. Unfortunately, so far, fewer than 10 percent of workers in the country take advantage of this convenient form of being reimbursed for one's labor. We hope that the situation will now change — after all a checkbook is part of the deposit. It is more convenient to build up the deposit throught the accounts office of an enterprise or organization than to go along to a savings office and fill in a credit slip.

If the holder of a checkbook travels outside the confines of the republic he has the right to draw from any RSFSR Savings Office the sum that he needs. Thus the checkbook can also be used as a letter of credit.

Many people ask why the "geography" of the new form of cashless transaction has been restricted? It is important to take the first step and try to determine what may not have been thoroughly thought out and how this system is to be further democratized in the interests of the public.

It is important to note that as of 1 December of this year, checks must be accepted in exchange for manufactured goods and consumer services at all state and cooperative trading points of the RSFSR — in cities, settlements, and villages. Any red tape concerning purchase by check and any refusal to accept a check as payment will be viewed as a violation of the rules of Soviet trade.

We hope that the sphere of cashless transactions will soon exapand. I have in mind the acquisition of air and rail tickets, apartment and telephone rent, and payment for utilities. Generally speaking, the checkbook which is being introduced is suitable for paying for all types of goods and services without restriction. I am sure that we shall soon arrive at this progressive system of cashless transactions.

Aganbegyan Assesses Reform Problems
PM281335 Moscow IZVESTIYA in Russian
25 Aug 87Morning Edition p 2

[Interview with Academician A. Aganbegyan by Ye. Manucharova under the rubric "Viewpoint": "There Is Nowhere To Retreat To. Conversation With Well Known Soviet Economist Academician A. Aganbegyan" — date and place of interview not given]

[Text] [Manucharova] Abel Gezevich! Everyone is asking the same question now: How can we get rid of the braking mechanism? How can we achieve real acceleration? Many people are recalling former unsuccessful attempts at reform and believe that we now often underestimate the dangers on the path toward success. Do these dangers exist?

[Aganbegyan] Yes, there are dangers but they are of a different kind from those that led to the collapse of the reform of the sixties. Generally speaking, the reason for its failure was that an integral organism (functioning as a single system according to its own laws, which were the same for all its parts) rejected the foreign bodies imposed on it from outside. The law of self-preservation, characteristic of all living things, came into play.

In the sixties attempts at reorganization took place only in industry and agriculture. They had no bearing on finance, trade, construction, supply, the sector ministries, or territorial organs. In other words, the reform was narrow and superficial and did not apply to the economy as a whole. In addition, economic restructuring was not synchronized with restructuring in other spheres of social life.

A Gosplan interdepartmental commission was in charge of the reform and it was headed by a man lacking full powers. Any ministry, any department was able to torpedo or thwart the commission's decisions. Decisions were taken behind closed doors, there was no reliance on democratization.

However, even under such unfavorable conditions the reform produced a most valuable experience. Very important results were achieved.

[Manucharova] What results, specifically?

[Aganbegyan] The main result was accelerated development. The Eighth 5-Year Plan (1966-1970) was an improvement on the previous 5-year period as regards all indicators. Growth rates increased. Utilized national income increased from 32 to 41 percent. Labor productivity in industry increased from 25 to 32 percent. The population's real per capita income increased from 19 to 33 percent.

[Manucharova] What about shortages, did the reform rid us of shortages? At least partially? Did it reveal the mechanism of shortages?

[Aganbegyan] That is precisely the point, it did reveal it. I will cite a concrete example. At that time the shortage of gasoline was particularly acute. It was necessary to find out whether this shortage was real or false — whether or not it was being caused through distribution on a quota basis, according to poorly thought-out norms. The norm system was abolished in 5 oblasts — there were no quotas, you could buy as much as you needed and more.

What happened? To begin with people did in fact buy "more" — they laid in stocks. But time passed and the right to buy unlimited quantities of gasoline remained in force. Then it became obvious that substantially less gasoline was actually needed than laid down by quota.

[Manachurova] There is no question about the quota system. It is obvious that it is senseless to reform isolated "parts" of the economy — restructuring must encompass the whole system. But it is most important of all to grasp: What is its aim right now? [Aganbegyan] It would seem that the aim is clear: The satisfaction of people's needs, of social requirements. All spheres of life, and above all production, must be geared to this.

Naturally, people's needs must be understood to mean not just their material needs (food, clothing, medicines), but also their social requirements. Requirements in the broadest sense of the word, that is.

Is it possible to claim today that people's needs are being met in our country? Of course not. This is by no means because of someone's bad intentions but because economic development frequently pursues intermediate — and more often than not false — aims. In other words, production is divorced from the consumer, it goes its own sweet way, as it were, regardless of people's needs, regardless of the main aim.

[Manucharova] However, the way to the main aim leads through the achievement of subsidiary aims, does it not? For instance, restructuring is not possible without the acceleration of scientific and technical progress. What are our successes here?

[Aganbegyan] Unfortunately, so far there are considerably fewer successes than failures. Among the successes I would like to mention the introduction of rotary lines and rotary-conveyor lines, which is now proceeding successfully.

I see the causes of the failures once again in the conservative attitude on the part of management. Most ministries have not switched to the new methods, they are not creating incentives or new forms of organization (the intersectorial scientific and technical complexes have not yet brought success: They have no rights and science and production are financed separately). There is no focus on scientific achievements. A clear understanding of promising spheres is lacking.

For instance, it is perfectly clear that information technology is becoming the decisive sphere in technical progress. Last year a significant event took place in the world economy. Electronization outstripped electrification in terms of scale. That is, the volume of expenditure on electronic equipment in capitalist countries exceeded fuel and energy complex expenditure. The current share of the output of electronic equipment in the capitalist world's total social product is about to reach 10 percent. In our country it is a fraction of 1 percent. The most annoying thing is that in this sphere we are lagging in terms of not only the volume and total increase in output but also the production growth rate.

So far there is no light at the end of the tunnel. In the Gosplan there are four departments for the fuel and energy complex. Yet electronics is managed in the Gosplan as a subordinate concern in various administrations. However, electronics is by no means a secondary concern.

[Manucharova] What about traditional production spheres? Where are we losing touch with the main aim?

[Aganbegyan] Here is a very characteristic example. We produce 4.5 times more tractors than the United States. Why? The volume of crop production in our country is 1.5 times lower than in the States. Furthermore, we produce only about half the number of tractor-drawn implements per tractor that other countries do, fewer, in fact, than are needed for normal work. You get the impression that we produce machines which we do not intend to use. After all, the tractors need implements and trailers, without which the production of tractors becomes an end in itself rather than a means of meeting social requirements.

The tractors are getting bigger all the time. Every manufacturing plant seeks to increase the capacity of the tractors. However, consumers need both very small capacity tractors (for orchards and vegetable plots) and huge ones (for felling trees) and also different types of tractor-drawn implements, but the ones produced are all suitable for 60 horsepower tractors only. A 100 horsepower machine is now in preparation. Why? After all, each new and more powerful model is less advantageous for the consumer and the country than the previous one — the consumption of fuel, metal, and so forth goes up. However, this is a typical paradox in our economy — it is precisely this overexpenditure which makes such a machine advantageous for both its manufacturer and the ministry under whose jurisdiction he comes.

Old, convenient models are taken out of production and the consumer is forced to buy something more expensive that he does not need. Yet he buys it — not only because nothing else is available, but also because this kind of squandering of means does not affect his own well-being, he is not paying out of his own pocket. After all, kolkhozes and sovkhozes bought machinery on credit granted by the state. Their debt has now increased to almost R100 billion. This state credit has become nonrepayable, it has not been paid off. It is not difficult, of course, to spend money on something unnecessary if it is not your own money...

[Manucharova] Does this mean that one of the secrets of the shortages lies in overproduction of unnecessary goods which are advantageous only for the producers and for making up the plan? For gross output?

[Aganbegeyan] Quite. In my view, up to 25 percent of the output of many sectors is unnecessary. A counterpart of the "tractor" paradoxes is the situation relating to trucks. Eighty percent of the trucks that are produced have a capacity of 4-5 tonnes. This benefits the Likhachev Motor Vehicle Plant or the Gorkiy Truck Plant, but not the national economy. The world output of trucks with this capacity totals only 3 percent. It is not surprising that ZIL trucks drive around half empty and operate during one shift only. Or they stand around in garages. Some 40 percent of them are not used at all.

If productions were not divorced from social needs, one would have to find out what goods have to be transported before starting up truck production.

[Manucharova] You are saying that it is necessary to proceed from specific criteria? What, in your view, should be regarded as an objective criterion for the efficiency of the national economy?

[Aganbegyan] The complete satisfaction of needs. Anything that fully meets social needs is efficient. Anything that pursues other aims is inefficient. The needs are the key to everything.

The transition to self-financing inevitably deals a blow to enterprises' inefficient decisions. Here is a well known example which was cited at the Party Central Committee June Plenum. Kolkhozes and sovkhozes have submitted their orders for next year for trucks, tractors, and combines, and they are lower than before. In the case of

combines, for instance, their order is 30 percent below the planned production target for these machines.

In conditions of complete economic accountability [khozraschet] and self-financing orders could even go down to 50 percent. I take this view because purchases of agricultural machinery by subdivisions which have switched to the new system and are paying from their own pocket now have gone down precisely by 50 percent. This is true of Stavropol contract teams and the "Kuban" association. When contract teams or links have to pay for the rental of machinery, they take care not to take more than they need and they look after what they have.

There are kolkhozes where contract links have taken only the machines which they need from the existing stock. And the figure proved to be exactly one-half. The rest was bought sometime without too much thought or else as a reserve, not for actual use.

In tolerating such excesses, we doom ourselves to shortages. Here is another paradox: In 1986 75 million tonnes of steel were smelted in America. In our country it was 161 million tonnes. At the same time the United States produces 50 percent more end products (machines and machine tools) than we do.

Virtually all our output is heavier, and more materials-intensive... Therefore everything — metal, coke, and iron ore — is in short supply. And, naturally, we are short of capital investments. The money goes to pay for coke, ore, agglomerate, and last but not least steel. And also grain.

All this expenditure is ineffective precisely because our production is divorced from social needs. We use the grain to feed livestock, of which we have 50 percent more than the United States. We have more, but it produces less. It is possible to say that there is enough feed for the cows to survive but not enough to ensure that they produce large quantities of high-grade milk.

[Manucharova] I think that's enough examples. So we had an economic mechanism which failed to link needs with production.

What do we have to avoid in creating the new mechanism?

[Aganbegyan] The diktat of the manufacturer. His freedom to produce unnecessary goods unchecked. (The selfsame tractors, for instance, of which there are 4.5 times more than are needed.) The mechanism must ensure that what is not needed is not bought either for cash or on credit.

[Manucharova] As for the tractors, that's clear. But what about consumer goods. You yourself wrote about this: The shelves are full. And so? What will happen next year?

[Aganbegyan] No improvement in sight. Last year we produced 801 million pairs of shoes. And it is planned to further step up production. In no country do families have such a stock of shoes. Czechoslovakia (a well known "footwear" power) produces 1.7 pairs of shoes per person per year, while we produce more than 3 pairs. The United States produces only 250 million pairs of shoes. Yet no one complains of shortages. Of course, it also buys shoes from other countries, but we too import a lot of shoes from abroad.

The isolation from needs pervades all sectors. I am saying this in order to emphasize once again that the main point is the installation, the purposeful installation, of the management mechanism.

When changing this mechanism we must focus on the set aim. This is what we proceeded from in elaborating the new principles of management. We agonized, argued, and deliberated, and as a result of 2 years of hard work these principles have been defined. The June (1987) Plenum was the culmination, the apex of this activity. It approved the strategy of restructuring. And now a whole series of most important decisions has already been adopted in accordance with its provisions. A plan for the introduction of the new principles has been elaborated as well as the conditions for monitoring its implementation.

[Manucharova] Is there an order of priority in this introduction?

[Aganbegyan] Indeed. A concrete work schedule has been adopted and the people responsible for this have been designated. But everything will have to be done within tight deadlines. In the course of 3 years (1987-1990) a reform of finance, prices, banks, and supply is to be implemented. The changes are very thorough. For instance, means of production will switch to wholesale trade (60 percent as from 1990 and 80-90 percent 2 years later). However, during the implementation of the decisions it will be necessary to continue to strive for restructuring and for high standards in the introduction of the changes.

[Manucharova] It would be interesting to know which is the trickiest, most pressing problem. After all, it may provide the "basis for growth" if everything is resolved properly.

[Aganbegyan] Normatives are a very tricky question. Especially the norms which regulate how an enterprise uses its own resources, its own profit. They are set by the Gosplan for the ministries. And the ministries themselves set them for enterprises. They have the power to turn advantage into disadvantage. Normatives can be used to stifle anyone.

From the very beginning the main principle of the establishment of economic normatives — identical demands by the state on enterprises — has been infringed. However, only in the Ministry of Chemical and Petroleum Machine Building has a common scale of normatives which apply to everyone been set. In other ministries different normatives are set for different

enterprises and associations. The achieved level is widely adopted as the point of departure. Thus the ministries tailor the normatives to the existing plan, making virtually no changes in the plan.

A different system is used in other countries. The normative is an average norm which applies to any and every enterprise. They all have to settle their accounts with the state in the same manner. For instance, in Italy, a firm giving up half its profit may go bankrupt or prosper, but under all circumstances the normative remains unchanged. Take our taxes, for instance, after all, no one is interested in people's "starting positions." You pay the set percentage out of your wages and that is all.

However, the situation as regards enterprises' profits differs from wages. Light industry pays 63 percent. On average, that is. there are enterprises which pay as much as 90 percent. Meanwhile ZIL pays only a few percent. This is how much payments vary under the system of individualized normatives. Every production unit pays whatever it is individually asked to pay.

[Manucharova] What kind of independence and self-financing is this if everything is regulated in this way. What are these regulations based on?

[Aganbegyan] On the same old isolation from the consumer. On the diktat of the producer. For every enterprise a 5-year plan has been approved. A long time ago and in detail. The collective knows about the size of the incentives fund and how much profit it must make every year. All this was done before the June Plenum.

We are now switching to the system of normatives, but this is taking place in conditions of existing plans. A new plan will only be drawn up in the next, the 13th 5-year period. Unfortunately, for another 2 and 1/2 years we will have to survive in the procrustean bed of the old plan. And so a way round it has been found, as it were: The individualization of normatives, adjusting them to earlier approved figures, regardless of what life demands.

[Manucharova] But is there another solution in the period of transition from old to new forms through which we are currently living? Do you think it possible to introduce generally applicable normatives within the current 5-year period? [Aganbegyan] I do. It is entirely possible in the sectors. True, this work will make it essential to adjust the relations between the Gosplan and the enterprises. However, the country stands to gain a great deal. By delaying we are losing too much. We cannot allow conditions to persist whereby laggards find themselves in a better situation than those who work hard. If we again proceed from "the attained level," albeit with the use of normatives, then the form will be new while the essence will remain the same.

I will try to explain this in greater detail. If an enterprise is operating successfully, it is given stiff (worse!) conditions — greater deductions are imposed on it. While another enterprise which has obtained a smaller profit is made to pay less to the state. In effect laggards simply get what belongs to the best enterprises.

All kinds of exceptions are made for bad enterprises, they do not have to pay for funds and only a small percentage is deducted from their profits. In other words, society artificially maintains those who work badly by means of a redistribution of resources taken from those who work well.

This inevitably impedes progress: Today's normatives act as a mechanism which impedes development — it is disadvantageous to excel, to spurt ahead.

One cannot but recall Lenin's dictum: In form it is correct, in essence it is a mockery!

The mechanism of acceleration can be based on only one principle — the encouragement of those who work well. And that means equal demands from society on all enterprises. Given equal demands, whoever works better will earn more. Incidentally, with the introduction of full economic accountability [khozraschet] and self-financing, wage normatives at enterprises remain virtually unchanged. They are still based on normative net output (a largely fictitious indicator) rather than on the real economically accountable income.

[Manucharova] Have enterprise directors absolutely no say vis-a-vis ministries and the Gosplan?

[Aganbegyan] They cannot survey the situation in the country as a whole. They defend the advantages accruing from the individual normatives set for them. And here everyone fights like a lion. But again only for the normatives which suit specifically his enterprise.

[Manucharova] Does the stabilization of the old system suit some? Probably there are also those who are afraid of closures under the new Law on the Enterprise.

[Aganbegyan] Maybe so. However, despite the supposition that such closures are hard on people, I believe that this process will be humane in our socialist country. It will be a protracted process, though. The following is one possible scheme. To begin with when an enterprise runs up a debt it takes out credit, when it is refused further credit the ministry comes to its rescue, but its patience is not unlimited either. During all this time the people at the enterprise get less and less. They are deprived of bonuses, staffing is reduced. Loss-making is very painful for the enterprise collective. For its leadership too. It is replaced. Only if the rescue measures have no impact is the enterprise finally closed.

All well and good if it can be bought up by some strong organization. The Academy of Sciences, for instance, will obviously be interested in buying up small plants, reconstructing them for its own purposes and introducing specialization.

But sometimes an enterprise has been neglected to such an extent that it cannot be renewed. It is more logical to build a new one. Then it must be closed. A special

commission is set up for the purpose. The enterprise's personnel get 3 months' wages and go somewhere where they are needed more. The assets of the enterprise are sold off and the money goes to creditors.

This is what happens in Poland, Hungary, and China. Provisions to this effect are contained in the law on the enterprise in our country, but it is not likely that closures will take place on a mass scale. To begin with there will most probably be only isolated cases. However, time will tell. In the USSR there are several thousand enterprises which are clearly loss-making. Nothing will save them. In the interests of society they ought to be closed. I am not proposing that we should act like the West, where tens of thousands of firms collapse and disappear each year. However, in my view, it would be more correct to close several hundred enterprises in the near future. [Manucharova] Is that too in people's interests? And what about those who lose their jobs?

[Aganbegyan] Are you worried about the job placement process? You must gain a clear view of what it means when an enterprise is making a loss. Let's say that the loss totals R5 million. In this way the enterprise is robbing all of us and the country of precisely this sum. Everyone could be getting higher wages than now, but we are all getting less because enterprises of this kind exist. They are paid for with the money of those who are working. And as a result people live less well, they are poorer. And I repeat, the loss caused by the enterprise directly robs society and specific people. The closure of a loss-making enterprise is a boon for the people.

In the Donbass there are some 30 mines which swallow up an enormous quantity of resources and produce a miserly amount of coal. The prime cost of their output is very high and productivity is very low. If these 30 mines were closed, resources could be released which would make it possible to mine three times as much coal.

However, no decision has been made and the mines continue to be a burden on the state budget. Now (under the new law) it is the ministry which is supposed to maintain them unless it decides to close them. For a ministry such a burden means that it cannot develop other enterprises, it means making a direct loss and lowering the country's scientific and technical standard.

In my view a closure should be an exceptional and isolated event. Of the 46,000 entrprises which exist in our country only those capable of self-development should remain.

[Manucharova] Self-development?

[Aganbegyan] Precisely! It is necessary to create powerful incentives for self-development. Enterprises must develop via their own resources. In the past, you see, the state funded a new motor for Moskvich cars, for instance. This is no good. It should have been the plant's design bureau (which had done no one knows what for years!) that designed the heart for the car. It is necessary for the Moskvich builders to establish their own plant with their own money. By its "gifts" the state artificially created a very harmful trend — the rule of monopoly enterprises. Lenin warned that any monopoly (you must understand any, not just a capitalist monopoly) leads to decay.

[Manucharova] Can you cite an example of such self-development? Apart from the Paton intersectorial scientific and technical complex about which everyone knows everything.

[Aganbegyan] Sure, "Kriogenmash"... However, we will never achieve self-development without scientifically substantiated normatives, without economic accountability, without self-financing, and without self-management. In order to be able to engage in self-development, people must have means which they can dispose of. And this is what is going to happen!

If life demands changes, these changes sooner or later take place whether people like it or not. Those who are against will leave and they will be replaced by others who like change and can cope with it.

There are objective laws of development. This is why the economy plagued by shortages in which the producer calls the tune will definitely be abolished. This is what we are fighting for. Because, as has been said more than once recently: "There is nowhere to retreat to."

Stalin's Economic Views Examined

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[Institute of World Economics and International Relations research worker Boris Bolotin article: "Dogma That Muzzled Life. On '*Economic Problems of Socialism in the USSR*'"]

[Text] After 1965 Stalin's image as a military leader was revived in the memoirs of merited military leaders and he was praised in many literary and film epics, but his theoretical works have been forgotten. And that is very unfortunate, for a characteristic feature of Stalinism was precisely the gap between words and deeds. Stalin's words were much more correct and just than his deeds. These words bore an indelible impression of their own time and left an indelible mark on it. Stalin's theoretical views have shaped, in a large measure, the world outlook of the people who are now over 50. Therefore, it would be surprising if this world outlook did not influence in any way how many people think about the changes taking place in the country, or determine their stand on perestroyka in one way or another.

"*Economic Problems of Socialism in the USSR*" occupies a special place in Stalin's theoretical works. The collection includes Stalin's notes and letters, which he wrote under the impressions from the discussion of the draft of the new political economy textbook. The discussion ended in November 1951, but the participants in it were

kept for a long time (nearly a whole month) in Moscow, because Stalin was expected to speak to them. But, later on, the economists went back to their universities without having heard Stalin. His economic notes, later included in the collection, started to be published in the press the next spring, 1952.

The entire country at once started to study the collection. Only not long before, the materials of the August 1948 session of the All-Union V.I. Lenin Academy of Agricultural Sciences had been studied, and the Morgan-Weismann teaching, together with the whole of genetics, was utterly disgraced in the eyes of millions upon millions of students of political schools. After that, the time came to get to know the problems of linguistics, which Stalin had solved. Then came the turn of political economy.

Today, 35 years later, we read "*Economic Problems*" with a confused, strange feeling. Its categorical conclusions, which we've been weaned on, leap to the eye. The kaleidoscope of real and far-fetched problems, their excessive simplification, or, on the other hand, complicated expression, makes us wonder. But, when closing Stalin's book, we catch ourselves thinking that it did reflect in its own way the understanding that changes in our economy were inevitable, and that the book had been urged by the desire to forecast at least the main direction of these changes. And at the same time, in nearly each and every paragraph, we see the inability to get beyond the frozen stereotypes and dogmas.

Stalin himself wanted to perfect constantly socialist production relations. He went back to this idea many times, both in the "Reply to Comrade Aleksandr Ilich Notkin" and in his letter "Concerning the Errors of Comrade L. D. Yaroshenko". I am reiterating this for the benefit of those who today express anxiety, to put it mildly, over the breakdown of a number of the forms which have become established in our economic activities, identifying the very essence of socialism with them.

"Under socialism things do not usually go to the length of a conflict between the relations of production and the productive forces; that society is in a position to take timely steps to bring the lagging relations of production into conformity with the character of the productive forces. Socialist society is in a position to do so because it does not include obsolescent classes that might organize resistance. Of course, even under socialism there will be backward, inert forces that do not realize the necessity for changing the relations of production; but they, of course, will not be difficult to overcome without bringing matters to a conflict," Stalin wrote.

How did Stalin think they could be overcome? Most probably by the same methods that had done socialism much harm in the 30s and 40s. But this is not the important thing here. Stalin did realize that the economic system could not be cast once and forever in eternal forms. That which in its time was very effective and secured unprecedented growth rates - and together with them - the changing of the image of the country and the people - can, as time goes on, become a brake on further progress. (Stalin added that this could happen "if we conduct the wrong policy".)

If this is so, then why do some people regard reconstruction of the economic system, inherited from the periods of industrialization and postwar rehabilitation, as an attempt at textbook Marxism-Leninism truths, which had been learned according to Stalin? This probably happens because the nature and the direction of perestroyka, which we have started, is directly opposed to everything he had foreseen or predicted.

Changes in our production relations are inevitable because they embrace an alien element which is counter to socialism: commodity-money turnover. That's how it is according to Stalin. And here we enter the realm where the strength and weakness of his logic are combined into one whole.

Stalin's analysis is based on the correct premise - it is impossible to manage the economy with methods alien to its nature. One should start with objective economic laws, familiarize oneself with them and learn how to follow them correctly. But in his analysis Stalin arrives at conclusions which cannot stand up to the most respectful or well-meaning criticism. Even the possibility of criticism seemed absurd to him, because only he, Stalin, enjoyed the monopoly right to carry out theoretical research and develop Marxist-Leninist political economy (and any other science).

Now it is universally recognized that commodity-money relations are but a form of operation of the law of value, and the law of value itself stems from the limited nature of society's material (including natural and manpower) resources, and from the need for correlation of the goals and means of achieving them and of desires and possibilities. The law of value for Stalin was just a law determining the proportions of exchange, and exchange presupposes owners, and owners, of course, are "bad guys". Therefore, in the long run, both the law of value and commodity-money relations connected with them became anathema.

And this despite the correct and profound note made earlier that commodity production does not, by any means, always develop into capitalism, or generate capitalism. Stalin says that this has to happen if the means of production are to be owned privately (even if it be pre-capitalism ownership), and if there is to be an opportunity to exploit alien (even if not hired) labour, and so on. There are no such conditions under socialism, therefore, there is no use talking about any kind of erosion of socialism, or of any restoration of capitalism due to the preservation of commodity-money turnover (all this is practically a word-for-word retelling of Stalin's own ideas).

An unexpected and strange conclusion is, however, made at once - that commodity production is not dangerous for us because it has a quite limited nature and appears

only at the junction of two forms of property - state and collective-farm property - and at the junction of production and consumption. In this way it is revealed that commodity turnover is undesirable for Stalin, if only because it presupposes a definite freedom of choice for both the seller and the buyer and cannot be rigidly centralized.

A very amazing inconsistency! Stalin declares that commodity-money relations are objectively necessary (though not so desirable) in the first phase of communism, when the state is strong and growing even stronger, because of the existence of the two forms of property. And quite to the contrary, commodity-money relations become absolutely undesirable as the state nears the phase when it must change, as we understand it now, and entrust a considerable part of its functions to the people's self-government. Why? Simply because it is hard to plan it from the centre!

Therefore, according to Stalin, we must stand for commodity-money relations only because we've got the collective farms. Now, he writes, "The state disposes only of the product of the state enterprises, while the product of the collective farms, their property, is disposed of only by them."

One reads this section with special bitterness. How was it possible to imagine the collective farms as sort of "Rochdale cooperatives" concerned only with the interests of their own members, who don't wish to get involved in the state plan and who dispose of their own produce in a mercantile manner? And to say this in postwar conditions when the state had literally tied the collective farms hands and feet with the state system of obligatory purchases and payment in kind of work performed by the machine-and-tractor stations (essentially a system forcing people to grow different crops)! When the greater part of the collective-farm produce was "paid for" at prices which didn't cover even delivery to the procurement centers! This shows very well Stalin's art of juggling words with impunity and without thinking of the possibility of criticism.

In accordance with official statistics, the collective farms "sold" to the state in 1950-1953 60 percent of the grain they produced (not counting what they used for seeds), 60 percent of meat and milk, and all of sugar beet and raw cotton. All that was concentrated in centralized funds, was taken account of and distributed down to the last gram. In such a situation, talk of the non-planned nature of the activities of collective farms may be regarded as black humour.

I shan't speak of collectivization here — because it is an independent and a very dramatic chapter of our history. I respect Anatoliy Rybakov very much, and his work on the novel "*The Children of Arbat*", but still I cannot agree with his explanation that Stalin had, allegedly, decided to go through with collectivization (long before it had been prepared materially and psychologically), fearing the emergence of a class of farmers in our land. The example of Poland's long suffering testifies to the fact that it is hard to involve farmers in the socialist state's social strategy. But as I understand it, the time and the time limits for collectivization in the USSR were determined by rigid circumstances which could not be circumvented in any way — by the need to build quickly heavy (above all, defence) industry and thousands of enterprises in these industries, to buy (with grain) hundreds of thousands of machines for them from the West and to feed millions of new urban centers — which grew after workers came from the countryside. All that was the payment for the building of socialism in a backward country, surrounded by enemies, deprived of support organized by the state, of Europe's working class. It is also without any doubt true that Stalin's personality left a tragic impression on how collectivization was done and what losses it produced. In both prewar and post-war years we had been forced to resort to the expropriation of a considerable part of the output produced by the collective farms.

At this time Stalin was seriously thinking about the fact that the expropriation of the collective farms, their being turned into state enterprises (state farms) could, of course, have helped with the building up of a single production sector and with the curbing of commodity turnover but that this step was allegedly unacceptable for us.

For reference - a considerable number of collective farms was enlarged and turned into sectors of state farms soon after Stalin's death. As a result of that, the number of agricultural cooperatives was reduced in 1950-1960 by nearly three times, and the number of farmers' households united by them - by nearly 20 per cent. This kind of "expropriation" did not cause protest on the part of the collective farmers. It was regarded by them as an act of salvation, which secured them at least a guaranteed minimum income. Because many collective farms had paid nothing for workdays since 1941, neither in cash nor in kind, and had offered their members the "right" to feed themselves from their subsidiary plots of land in exchange for working the compulsory minimum of workdays in the social economy. I must add that this step towards a "single production sector" did not, nor could it, narrow down the field of commodity turnover, or the sphere of operation of the law of value.

The ideas expressed by Stalin on the nature of collective farms in "*Economic Problems*" are quite interesting. These "subjects of cooperated property" in real life have no property, because (I'm citing) "the collective farm is not the owner of the land it cultivates...is not the owner of its basic implements of production" and owns only the part of output which remains after settling account with the state. So, the collective farms - in the form they existed when "*Economic Problems*" was written - were peasant communes, attached to state land, where the peasant tills the land with state implements, and receives for that a small part of the output.

How little all that resembles Lenin's cooperative plan! And how much, fortunately, the collective farms have

progressed since then, in spite of all the bureaucratic catches. (And how much further they could have moved if it weren't for these catches!) They are now already the owners of all the means of agricultural production. And in his reply to comrades Aleksandra Sanina and Vladimir Venzher (who still lives), the well-known Soviet agrarian economists, who were man and wife, Stalin rejected as heresy the proposal of strengthening the collective farms by making the tractors, combine harvesters, trucks and other machines theirs. Seven years later, in 1959, the proposal was implemented and the collective farms which did manage to get 2,000 tractors before that became the owners of 650,000 tractors (now they have over 1,150,000 of such machines). And in spite of Stalin's forecasts, the collective farms did not collapse when this happened. Between 1950 and 1986 labour remuneration in collective farms increased, on average, from 70 kopeks to seven roubles a day (taking into account the rise in prices - by approximately seven times).

Stalin's refusal to accept the market in conditions of socialism, and his opinion that the market and the plan were incompatible, firmly shaped economic thinking not only among a considerable number of our economic managers but also among our scholars. Even after the 27th Congress and the January and June Plenary Meetings, there continued to appear in the press, including quite prestigious publications, strange discourses on how nice it would be to "sterilize" commodity turnover, washing it clean of money, and to settle accounts between enterprises, accounting for their output not in roubles but in some other unit, let's say, in units of energy. It is not my task to give a critical review of these energy-economic chimeras. But the very proposals made to create these monsters show that "*Economic Problems of Socialism in the USSR*" should not be kept quiet about, but should be analyzed and criticized. Everything that belongs to history (economic history included) should be returned to it.

Agricultural

Media Report Developments for 29-31 August

LD010128 [Editorial Report] The following is a compilation of reports on agricultural developments in the USSR carried by Moscow Domestic Service in Russian, unless otherwise indicated, on 29-31 August. GMT times of broadcasts are given in parentheses at the end of each item. 29 August

The working people of the agro-industrial complex of Mordovia have fulfilled their socialist pledges on the sale of grain to the state. Three hundred and twenty-five thousand metric tons of grain have been poured into the granaries. (0000)

Omsk Oblast mechanizers area already working on the second half of tracts of land given over the grain crops. This year's grain is a good quality. Three quarters of volumes being handed over are of strong, valuable varieties. (0800)

Tambov and Sumy Oblast farmers today reported the fulfilment of plans for grain sales to the state: 960,000 metric tons of grain have been delivered from Tambov fields to grain receiving centers, which is above the plan. Sumy Oblast grain growers have handed over 591,000 metric tons of grain. They also have over-fulfilled targets for the procurement of wheat, rye, and peas. (1400)

30 August

The mechanized workers of Kzyl-Orda Obalst in Kazakhstan have commenced the mass mowing and threshing of rice. (0000)

The cotton growers of the southern rayons of Tajikistan have started the selective harvesting of raw cotton of particularly valuable fine-fiber varieties. The harvest promises to be a rich one. (0204)

The agricultural workers of Zaporozhye Oblast, having finished the harvest of early grain crops, are continuing to sell grain to the state. They have delivered to procurement points 780,000 metric tons of grain, including hundreds of thousands of metric tons of valuable wheat. The harvest is everywhere a larger one than last year. (0400)

The collective and state farms of Kazakhstan as of today have placed 16 million metric tons of hay in winter stores. This is 95 percent of the annual plan. A million metric tons more hay has been laid in than last year, and the same additional amount of haylage has been stored. All oblasts of Kazakhstan are now laying in silage. (0400)

Grain has been threshed on 500,000 hectares in Kurgan Oblast, around 30 percent of the land under such cultivation. Frequent rain has delayed work, meaning that over 280,000 hectares worth of grain has been arranged in swaths, and crops which are still standing are being threshed directly. Silage is also being gathered. (0800)

31 August

In Kazakhstan, plowing began today on the second million hectares. Mass harvesting of grain and silage crops is underway there, but many farms are making an early start with plowing. Fertilizer is being applied at the same time. Autumn plowing will be carried out on 20 million hectares. (1100)

Volynskaya, Rovno, and Ivano-Frankovsk Oblasts in the Ukraine have completed their grain harvest and significantly overfulfilled their grain sales to the state. (1300)

A new feed crop has been grown in Sratov Oblast. It was bred from sorghum and Sudan grass [sudanka], and is named (sordan). The hybrid was created by Saratov Oblast breeders and specialists from the Vavilov All-Union Institute of Plant Growing. A.G. Ishin, general director of the Elita Povolzhya Association says that the hybrid will give a high yield and high quality. When (?harvested at the optimum time) it contains as much

protein as alfalfa, but has a better proportion of protein to sugar than any other crop. Every irrigated hectare has produced 400 quintals of green mass, and the second cutting will give results just as good. In the next few years sordan will be grown on 100,000 hectares in Sratov Oblast. (Moscow Television 1700)

Bryansk Oblast has fulfilled the plan for the sale of grain to the state, having delivered more than 200,000 metric tons of grain. The plan for the sale of wheat for food has been overfulfilled by one and a half times, and the plan for the purchase of rye for food has been covered almost twofold. Overall in the oblast the yield increased by 5-6 quintals over last year. (1800)